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SENATE

THURSDAY, JUNE 7, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Heavenly Father, we adore Thee whose name is love, whose nature is compassion, whose presence is joy, whose word is truth, whose spirit is goodness, whose holiness is beauty, whose will is peace, whose service is perfect freedom, and in the knowledge of whom standeth our eternal life.

The life is within our souls, but our selfishness has hindered Thee. We have not lived by faith. We have resisted Thy spirit. We have neglected Thine inspirations. Forgive what we have been; help us to amend what we are; and, in Thy spirit, direct what we shall be, that Thou mayest come into the full glory of Thy creation in us and in all men. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 6, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 6, 1945, the President had approved and signed the act (S. 383) to provide for the further development of cooperative agricultural extension work.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 62) authorizing the Committee on the Merchant Marine and Fisheries of the House of Representatives to have printed for its use additional copies of part 1 of the hearings on postwar disposition of merchant vessels, held before said committee during the current session, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the

following enrolled bills, and they were signed by the President pro tempore:

S. 392. An act for the relief of Nebraska Wesleyan University and Herman Platt;

S. 510. An act to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes;

S. 633. An act to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such; and

S. 839. An act to amend section 47c of the National Defense Act of June 3, 1916, as amended, so as to authorize credit to students now or hereafter enrolled in the senior division of the Reserve Officers' Training Corps for military training received while on active duty in the Army, Navy, Marine Corps, or Coast Guard, or while pursuing a course of instruction in the Naval Reserve Officers' Training Corps.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—AMENDMENT

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment to the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and ask that it lie on the table until after the Senator from Maryland concludes his address.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT ON CONDITIONS IN PHILIPPINE ISLANDS (S. DOC. NO. 53)

Mr. TYDINGS obtained the floor.

Mr. HILL. Mr. President, will the Senator from Maryland yield to me to suggest the absence of a quorum?

Mr. TYDINGS. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Moore
Austin	Gerry	Morse
Ball	Green	Murdoch
Bankhead	Guffey	Myers
Barkley	Hart	O'Daniel
Bilbo	Hatch	O'Mahoney
Brewster	Hayden	Overton
Bridges	Hickenlooper	Pepper
Brooks	Hill	Robertson
Buck	Hoey	Saltonstall
Burton	Johnson, Calif.	Shipstead
Bushfield	Johnson, Colo.	Smith
Butler	Johnston, S. C.	Taft
Capper	La Follette	Thomas, Okla.
Chandler	Langer	Tunnell
Chavez	Lucas	Tydings
Donnell	McKellar	Wagner
Downey	McMahon	Walsh
Ellender	Magnuson	White
Fulbright	Mead	Wilson

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the

Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. BRIGGS], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent, on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent, in Europe visiting the battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. MITCHELL] are absent, in Europe on official business for the Special Committee Investigating the National Defense Program.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent, in Europe on official business for the Committee on Interstate Commerce.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

Mr. WHITE. The Senator from Indiana [Mr. CAPEHART] is necessarily absent, on official business.

The Senator from Oregon [Mr. CORBON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from Michigan [Mr. FERGUSON] is absent on official business of the Senate as a member of the Mead committee.

The Senator from South Dakota [Mr. GURNEY], the Senator from Kansas [Mr. REED], and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as

a delegate to the International Conference at San Francisco.

The Senator from Nebraska [Mr. WHERRY] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business as a member of the Board of Visitors to the United States Merchant Marine Academy.

The Senator from Indiana [Mr. WILKINS] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty Senators having answered to their names, a quorum is present.

Mr. TYDINGS. Mr. President, it is necessary to actually visit the stricken Philippine Nation in order to comprehend the extent of the devastation and the hardships borne by the people in the Philippine Islands. No word picture can be adequate. No description will present the sad, pitiful, but heroic saga of the Philippine people from the time of the Japanese invasion December 7, 1941, to the present time. Only by a visit, living among the people and talking to them, and hearing of their heroism from American officers can one give to any report the real value it deserves.

CONDITIONS IN THE PHILIPPINES

Here is a brief word picture of conditions in the Philippine Islands: For the most part the great cities and many of the towns and villages in the islands lie in ruins. On the walls in this Chamber are a few pictures of the devastation and chaos which envelop the capital city of Manila. While these pictures show some of the damage, they do not depict the true extent of the devastation nor can they show the violence of the fighting which took place in this capital of the Philippines. In these islands most of the larger buildings, government and business, as well as many habitations, are constructed of cement and concrete. Every cement building in the Philippines was used by the Japanese as a fortress.

Fighting took place from street to street, from house to house, from floor to floor, from room to room from one end of the city to the other. The enemy did not surrender, even when surrounded and outnumbered. He fought to the death. Thus it became necessary, in order to liberate Manila, for example, to destroy the places in which the enemy was holding out. Consequently the devastation in Manila is city-wide. True, here and there walls are still standing, but everything inside these walls is burned and gutted, and in utter debris and ruin.

As a result, tens of thousands of persons are without homes or shelter. Tens of thousands are without clothing, food, or medicine. If it were not for the United States Army relief, these thousands would now be starving to death.

Most all the food and goods now being sold in the Philippines are food and goods which the Army is importing for civilian use. It is such a picture of dire distress that it instantly touches the pity of every heart. It is a picture of centuries of effort, building, and development which have been destroyed and

wiped out before the relentless conflict of war. Light, water, and communications systems are almost totally destroyed. All transportation by boat between the hundreds of islands, as well as by rail, bus, and truck lines, is nonexistent. It is impossible, except through the limited supply of Army goods, to buy any of the necessities of life in the Philippines. This is particularly true of clothing, shoes, medicine, and food.

Not one bank in the islands is open. The Japanese, during their three and a half years of occupation, printed billions of dollars of worthless paper money. This money was widely circulated and used for all business purposes, as well as for purchases made by the Japanese. To a large extent this worthless money was used to pay off mortgages and other debts; to pay taxes to the local and national Philippine governments; to pay premiums due and future premiums far in advance on life insurance. Business credit is very difficult to find, and when found can be obtained only at usurious rates.

In addition, the deplorable financial muddle has been accentuated by the issuance of millions of pesos through guerrilla organizations to pay and maintain these fighting units which were so vital to our ultimate success. The issuance of this currency was authorized by the United States Army.

It will take at least 2 years, probably 3, to even revive the sugar industry. As we all know, sugar was, before the war, the principal Philippine export crop. It brought millions of dollars annually to the people of the islands. There is no sugar crop at present in the Philippines. The population of carabaos, which are the universal work animals of the Filipino farmer, has been greatly diminished. During the war these animals were eaten both by the Japanese and the civilian population. On the island of Mindanao there were many herds of wild carabaos, from which much of the meat supply of the Philippines normally came. Many of these wild herds were ruthlessly mowed down by the Japs and many were killed in the course of the fighting. These essential meat and work animals cannot be replenished for the present because the supply must come, for the most part, from French Indochina, Burma, and other areas now occupied by the enemy.

Many sugar mills and other industrial plants of the Philippines were wholly or partly destroyed. Some escaped serious damage. Much machinery was shipped to Japan. Much scrap iron from destroyed machinery was carried off by the Japanese.

When the American Army marched out from Manila to make its heroic stand on Bataan and Corregidor, the warehouses and shops were thrown open to the populace to keep the supplies therein from falling into the hands of the enemy. Thus looting took place on a large scale. During our return to Manila looting again took place in many localities.

The food situation in the Philippines is tragic. Even in peacetimes the Filipinos do not raise enough rice, which is their staple food. During the Japanese occupation such rice as the Filipinos did raise was frequently commandeered by the

Japanese Army. Only a very scanty supply of rice was left for the hungry millions in the islands.

There is a shortage of primitive farming implements. This is partly due to the devastation of war and the fact that during the last 3½ years much of the available supply has been worn out.

There is also a shortage of seeds and plant stock. Thus it is difficult, under present conditions, to assist the Filipinos to supply the food which they otherwise might produce.

Most bridges in the Philippines were destroyed. In most cases temporary bridges have been built across rivers and streams by our Army. These temporary bridges have greatly facilitated travel and commerce in the islands. However, they are but makeshifts to serve a present need.

For the last 3½ years most of the Philippine government's income, both national and municipal, has been in the form of Japanese currency. All of this has now been declared valueless. Likewise there has been no import nor export revenue coming to the Philippine government during this time. During the occupation the Philippine government has functioned on worthless Japanese currency commonly referred to by soldiers and civilians alike in the islands as "Mickey Mouse" money. The Philippine government's only funds are those which it has now in the United States.

The principal source of income in the Philippines today comes from the expenditures of our armed forces. Tens of thousands of Filipinos are working, putting in installations necessary for our armed forces, and with their earnings they are buying the food which they have to have for themselves and families in order to live.

Thus people are almost solely dependent upon the United States Army for the necessities of life. Many, many people are without food, clothing, housing, and medicine. Today, in Manila alone, the United States Army is feeding 600,000 persons daily. Of this 600,000, all but 60,000 are at present paying for the food furnished by the Army. The remaining 60,000 in Manila are completely on relief. The same condition applies in varying degrees to other urban centers in the islands.

The Army and the Filipino government report that while the conditions are more aggravated in Manila than elsewhere, principally because of its size, conditions are bad in many of the other cities and towns scattered throughout the islands where violent fighting has taken or is taking place.

What can be done to improve the lot of the Filipino people who are so gravely in need? The answer is: Not much at the present. And here is the reason: We are still in the middle of a deadly and far-reaching war with the Japanese. Over and above everything else, our principal task still is to win that war at the quickest possible moment. Anything which prolongs the struggle means that many, many lives will be lost unnecessarily. It means that our real ability to help stricken countries, particularly the Philippines, is correspondingly curtailed. It means that our own economy is weak-

ened and our natural resources are further exhausted. In short, any postponement of victory means the additional loss of lives, the wounding and maiming of additional thousands of others, and the squandering of additional billions of dollars.

Now all of us know we are but just beginning our greatest attack on the Japanese. We know that millions of troops who were fighting recently in Germany are on their way to the Far East. Many of these will undoubtedly come to the Philippines. In fact, many were coming there while we were there. In the Philippines there is not sufficient shelter, food, and other materials available for them. Consequently, as these hundreds of thousands of troops arrive they must have shelter, food, clothing, hospitals, medicines, beds, tents, trucks, autos, munitions, machinery, weapons, equipment, work and repair shops, hundreds of ships of all types, thousands of planes of all types, airfields, locomotives, freight cars, cranes, drydocks, bulldozers, steam shovels, concrete mixers, airplane hangars, warehouses, gasoline and oil, repair parts, and scores of other items too numerous to mention. Obviously these things must come first. The very lives of the Filipino and American soldiers depend on their having everything they need to win a quick victory and to bring the war to an end.

That, in a word, is why more relief cannot be brought to the Philippines quickly. If the war were over, it would be relatively easy to aid the Filipino people to emerge from their disaster. Every bit of aid we now give to them means that precious and needed ships and transportation must be taken from the Army and Navy to supply the primary wants of the Filipino Nation. However, the Army and Navy already need many more ships and much more transportation of all kinds than they now have.

Before going to the Philippines I spent an afternoon with General Kells at San Francisco. He is in charge of the debarkation point at that place and along the Pacific coast. He showed me the Army and Navy requisitions for goods of all kinds. These requisitions are already taxing every facility at his disposal, and he is far behind in filling the demand. For example, the Army and Navy need lumber, nails, machinery, roofing, housing of all kinds, clothing and food, and all the rest, just as the Filipino people need these things. We know that the military needs must come first. So it is plain that only partial recovery, that only partial reconstruction and rehabilitation for the Philippines is all that is possible now. It is plain that any measure of complete recovery can be achieved only after the war is over.

One of the first tasks of President Truman's mission to the islands was to take up with the military authorities there what shipping they could spare in order to supply fundamental wants of the Filipinos without seriously impairing the war effort. We found both General MacArthur and his entire staff already greatly concerned with this problem. We surveyed the matter jointly. As a result of our discussions, we were able to get 8,000 tons of shipping for the Fili-

pinos exclusively during the month of June—but one ship. We anticipated that 30,000 tons of shipping will be available for the same purpose during the month of July. We expect there will be more thereafter. This tonnage will be devoted almost exclusively to food, clothing, and medicine. It will be short, far short, of what is needed. It is the best that can be done at this time. So far, and rather recently, 216 trucks have been turned over to the Philippine Commonwealth government, which will be operated mostly through private companies as bus lines to transport both civilians and freight. These trucks provide but a skeleton service for the island of Luzon alone, and will run principally between Lingayan Gulf and the Manila area.

The railroad is now operating between Manila and San Fernando, having been restored by the Army. It is now carrying passengers. One hundred and fifty tons daily freight has been allocated exclusively for civilian needs on this road. It is probable that full civilian requirements for railroad freight cannot be provided within 90 days in this area. Service between Manila and Bantangas and Logaspi will not be available for at least 90 days.

Fifteen F boats of 90 dead-weight tons capacity each, and four Lake-type freighters of 3,000 dead-weight tons each, have been made available by the Army to the War Shipping Administration in the Philippines, primarily for communications and relief. These 19 boats will be used exclusively in the inter-island shipping. They will be operated by civilians. They will provide but a skeleton service between the islands, but they will carry and permit some trade and commerce and will greatly help to relieve the shortage of transportation now existing.

In addition to the above, three planes have been set aside for civilian travel and to permit fast daily mail service between the islands. All of these transportation measures are but a makeshift to help carry on essential business until better times permit further improvement.

The power situation throughout the islands has been greatly impaired. For example, prewar Manila had installations capable of supplying 45,000 kilowatts. At present, even after Army repairs to the system, there are only 5,400 kilowatts available. This is but a little more than one-tenth of the prewar consumption. Even this power is being supplied, in part, by portable generators located chiefly in Army installations. During the months of June and July this figure will prevail. By August it is hoped to increase it to 15,000 kilowatts. By September it is planned to have one-half of the lost electrical energy restored to Manila. It will take until the first of next year before reasonable normal electric capacity can be established.

The two basic foods of the Philippines are rice and fish. The Army has brought in 55,000 tons of rice from last October to the 1st of May of this year. It has placed orders for 110,000 additional tons. Delivery of this extra tonnage is expected before the 30th of next November. The

Philippine government has also placed orders for 225,000 tons of rice for the 6-month period beginning November 1. The Army has also placed orders for more machinery in order to increase the local rice crop; but this, like other things, must wait on the contingency of shipping.

The supply of fish in the Philippines comes mostly from inland waters and ponds, and from deep-sea fishing. The inland problem is chiefly one of transportation, which, as I have said, is far short of needs. Heroic efforts are being made to solve the fish transportation problem, that is, to connect the fish-producing areas with the centers of consumption. However, the deep-sea fishing problem is difficult to solve, because that industry was almost exclusively Japanese operated. The necessary know-how, as well as the ships and other equipment, is at present lacking in the Philippines, and fish are not coming in for consumption.

No major steps have been taken to rehabilitate sugar because no crop can be harvested for export probably before 1948.

On the brighter side, abaca and copra production can be restored to normal just as soon as adequate trade goods, transportation, and some more machinery are available.

There are between 500 and 1,000 tons of rubber available now in the Philippines. Efforts are already under way to increase this production at the rate of about 200 tons a month, beginning with the 1st of July of this year.

It will be at least 6 months before any worth-while production of chrome and manganese can be obtained. Due to destroyed machinery and other damage, gold mining, too, must wait on replacements of these losses as well as on transportation and other necessary services.

It is General MacArthur's general policy in the Philippines to turn over relief responsibility to the Philippine Commonwealth government at the earliest practicable date. This has already been done in a number of areas, including one district in Manila. It is expected that the Commonwealth will take over all of Manila some time during the current month. A tentative date of September 1, 1945 has been set for the complete turn-over to the Commonwealth of both procurement and distribution of relief supplies in the Philippines.

It is also the commander in chief's policy to have all relief supplies sold at the earliest practicable date through established wholesalers and retailers, at prices and margins fixed by the Commonwealth government and the Army jointly. In Manila today, more than 90 percent of the relief supplies are sold and only 10 percent given away, as I have previously pointed out.

The visitor to Manila is met by a strange sight. Everywhere one looks throughout the streets, thousands of Filipinos are digging into the debris to try to recover a piece of lumber or a sheet of corrugated iron, or something which they can use or sell, with which to cook or to make a home. Men, women, and children stream back and forth, up and down the thoroughfares, carrying all manner of stuff salvaged from the devastation. With these crude materials they fashion little rooms or huts in

ruined houses in which they are making their homes. The rainy season is now just beginning in the Philippines. Rain there will be more or less incessant for some time to come. The Filipinos know this and they are trying desperately to fix some sort of shelter over their heads before the downpour gets fully under way.

Able staffs of doctors, both Army and civilian, Americans and Filipinos, are working long and heroically to keep epidemics from breaking out, to enforce sanitary regulations, and to take other means of insuring the health not only of the Army, but also of the whole community.

In walking through Manila, one frequently sees sprays of water shooting up from the streets where the water system has been damaged by the shelling. Repairs to this system are being made as rapidly as possible, and the water supply in Manila, while surrounded by many inconveniences, is fortunately adequate.

The best over-all estimate I could get of the possible damage wrought to the islands by the war is as follows and I think this estimate is conservative: That from 10 to 15 percent of all the buildings in the Philippine Islands have been destroyed and that possibly another 10 percent have been damaged. Thus, 25 percent of all the assessable basic structures in the Philippine Islands have either been destroyed or seriously damaged. This, of course, affects the revenue of every town and city in the islands as well as that of the Commonwealth Government. In the present emergency, it is very difficult for towns and cities and the national government to raise the necessary revenues with which to carry on. Export and import revenues are practically nonexistent. The whole system of taxation and revenue-raising has virtually been destroyed.

On the brighter side, the Army is doing much to aid in reconstruction and rehabilitation. Large forces of men with bulldozers and trucks are clearing up much of the debris and carting it off. The streets have been opened for the most part throughout the Manila area. Buildings are being repaired chiefly to make room for military personnel and to furnish them operating rooms in which to work. Much rehabilitation and reconstruction of warehouses and the like is being pushed rapidly by our military forces, and many new warehouses are being constructed. In some cases whole squares, where formerly stood buildings, have been completely cleaned off and tent cities put thereon in order to house the military personnel—and this in the very heart of Manila. Docks are being repaired; and of the 600 ships sunk in Manila Harbor by our bombers, over 400 have already been raised, and work is progressing rapidly on the remainder. Many of these ships have been so damaged that they are towed away and resunk out of the path of travel near the breakwater.

Water traffic in Manila Bay is being resumed; old piers are being cleaned up and reconstructed, and new ones built. The increased unloading of shipping is progressing at a rapid rate. That work is being expedited to the utmost.

On the railroads, the telephone, electricity and other utilities, much of the devastation is being restored by our armed forces who obviously need these services so they can function efficiently. These operations, to a large extent, will mitigate some of the devastation occasioned by the war.

The mission which I had the honor to head was composed of Vice Admiral Tarrant, of the Navy; Brigadier General Lowe and Colonel Baumann, of the Army; Mr. Jones, of the Budget Bureau; Dr. Elliott, Vice Chairman of the War Production Board; Captain Brierley, of the United States Maritime Commission; Mr. Dorfman, chief economist of the Tariff Commission; Mr. Hester, of the Interior Department, and in charge of Filipino affairs; and Colonel Ijams, vice chairman of the Veterans' Administration.

The Navy and Army men on this mission concerned themselves primarily with Navy and Army matters, with the future military program of the Filipinos, and with the question of United States bases in the Philippine Islands. On the question of bases, much progress has already been made. The Filipinos are willing to give us any bases that we may need or desire, and that question is being efficiently handled at the present by our Army and Navy Departments in conjunction with the Philippine government.

The other members of the mission concerned themselves primarily with cutting red tape, exploring the local situation in the Philippines, and finding what they could obtain by way of pertinent information which would help them to help the Filipinos on their return. For example, Mr. Jones, of the Budget Bureau, accumulated much valuable governmental information, particularly in the field of revenues and the possible future expenses of the Philippine government.

Dr. Elliott, Vice Chairman of the War Production Board, explored the possibilities of help for priorities and for obtaining food, clothing, medicine, farming equipment, and the like, and other essentials in the normal economy of the Philippine Islands.

Captain Brierley, of the United States Maritime Commission, was of tremendous help in working out the shipping problems with the military authorities in the islands.

Mr. Dorfman concerned himself with the past, present, and future trade of the islands, principally between them and the United States, assembling pertinent data for the use of the Congress later on.

Mr. Hester, of the Interior Department, who had spent many years in the Philippines, looked into the relationships between the Philippine government and the Interior Department, and in addition thereto furnished us with much valuable background applicable to the present and future probable conditions in the islands.

Colonel Ijams, of the Veterans' Administration, attempted to set up records and to install a system which we hope will not make necessary hundreds of claims bills coming to the Congress after the war is over. It must be re-

membered that during the war not only have regular Filipino soldiers fought with our own forces in many of the battles, but some were covered into the United States Army, and guerrilla leaders likewise organized groups with our approval that counted mightily in our effective victories over the Japanese.

Never have I seen a more effective, hard-working and efficient group of men undertake any problem. I asked President Truman to appoint only top-flight men, and he did. We had planned many visits throughout the islands, but when we arrived and found the dire conditions that existed, by unanimous consent all trips were canceled and we devoted ourselves from dawn until far in the night each day we were there to working on matters that would bring some measure of immediate relief and, we trust, ultimate relief and aid to this gallant nation that has fought so loyally and bravely in our common cause. I want to take this opportunity to thank publicly each and every member of this mission for his loyalty, cooperation, and unstinted effort to make our visit to the islands as helpful as we could in the circumstances, and for the information that each of them assembled and made available to the Congress for the solution of present and future problems. I am indebted to each and every one of them beyond words.

Upon their return to Washington, after they had already accomplished a great deal by way of relief and aid while they were in the islands, each member of this mission is now pursuing solutions for the Philippine problems here at home.

While in the islands, they met face to face with the people who have sent requests, requisitions, and communications to their departments here in Washington, asking for aid or action of one kind or another. Many difficulties were thus overcome. A better understanding was achieved. In some cases action was instantaneous. In others, information was assembled which makes speedy results possible and better support for both the military and the civilian undertaking at this time.

While in the islands we spent one afternoon as a group face to face with the Philippine President and his entire cabinet. It was all off the record. Everyone had the opportunity to say what he thought, to ask any question about anything, and to explore any matter. This conference was of immense good. It gave us a chance to explain to the Filipino officials the handicaps imposed upon us by the military situation, and what might not be accomplished for present and future rehabilitation and aid in the Philippines. However, no one on the mission, including the chairman, made any promises of any kind to anybody in the Philippine Islands. Policy making, we realize, is a question for the President and the Congress. All we could say was that we knew and appreciated their plight, revered and cherished the loyalty and sacrifices of the Filipino people, and that we felt sure America would support a program which would help them to emerge from their great difficulty. We likewise listened to

complaints and suggestions of the American, Filipino, and the Chinese chambers of commerce in the islands, and to scores of individuals. Most of us talked several times with General MacArthur, who always placed himself completely at our disposal. He made available all the members of his staff whom we wished to interview, and both he and they accorded us every courtesy and gave us all aid and desired information. Likewise, President Osmeña and the members of the Filipino government were always accessible to us and furnished us with every bit of information which we desired. To fulfill one request made by the chairman, President Osmeña put a staff of 20 men to work for five solid days and far into the night to turn out some reports which we thought the Congress would like to have on matters affecting the future of the Philippines, with particular reference to our relations with them.

Thus, I would like to say for this mission, for General MacArthur and his representatives, and for President Osmeña and his governmental officials, that during our stay there, from the beginning of the day until far into the night, everyone cooperated with us to the fullest extent, for we were all interested in the solution of a common problem. We worked quickly and long, because the need was great. We completed our task at the earliest possible moment so that we could bring the quickest possible aid to these people who deserve so well at our hands.

Now, a word about the background of the war in the Philippines from December 7 to date. The story of Filipino loyalty, the unrelenting resistance, the thousands of acts of courage, and the giving of life itself, is one of the brightest chapters in the history of America, for the Philippines are still under our flag.

To illustrate; on the island of Panay, during the Japanese occupation, through friendly Filipinos word was sent to our Navy that there were 40 Americans on the island who wanted to be taken off. The Navy said it would send a submarine to a certain point on the island on a given date to take off these refugees. Word spread around and when the sub arrived, instead of 40 there were 67 Americans who had assembled to be taken off. Although this maneuver required several days and the news of the event had to be passed on to hundreds of people, and although a garrison of 500 Japanese soldiers was but 3 miles distant, the sub came to the point at the appointed time, took on all of the American refugees, and departed before a single Jap knew anything about it.

On another occasion, at an important juncture in the Battle of Leyte, the chief Japanese admiral was flying across the Visayan Islands. Bad weather forced down his plane on the island of Cebu. When it landed, the natives captured him. He had in his possession very valuable Japanese papers. Those papers showed the location of every ship in the Japanese Navy at that time. The Jap admiral was flying to hold a conference with those who shortly would fight the great naval battle of the Philippines in which our fleet met with outstanding success. Those papers were im-

mediately sent to our own military forces by the Filipinos. The Jap admiral was kept in captivity. The Jap garrison on Cebu became so infuriated that they started killing a number of Filipinos each day in order to force the Filipinos to give up their Jap captive. Only after a number of people had been killed did the Filipinos relent, and then only after a conference in which it was agreed that the admiral would be given up provided there would be no more killing or mistreatment of civilians on that island.

On another occasion, while we had weather reports from most of the Pacific areas, we did not have weather reports for the Philippine area which, as Senators know, reaches for about a thousand miles in length and several hundred miles in width. A group of Americans and Filipinos were taken to Australia and there trained in weather reporting. This group was then equipped with portable radio stations. They were then taken back secretly to the Philippines and distributed throughout the islands. Thus, during the time of the Japanese invasion and occupation, we had 200 radio stations reporting daily from all over the Philippines to the leaders of our armed forces. These reports came in at certain specified times. Not only did they report the condition of the weather prevailing over the Philippines, but in addition they reported the location of Japanese ships, their number, size, and course; and they also told our armed forces where the Japanese troops were in the Philippines, how strong they were, and quite often what their intentions were.

It is needless for me to point out that this aid was of the greatest value to our armed forces. It allowed us to maneuver with pretty full knowledge of what the enemy was doing, where he was stationed, where his fortifications were, how strong he was, and the like. It made our landing operations almost a predictable success. It made it possible to save the lives of countless thousands of Americans, to save other thousands from wounds and disease, to shorten the war, and to make the reconquest of the Philippines a speedy and signal victory.

It is stated in the Philippine Islands by competent Army authority and without a single contradiction, that there is not a known case of an American refugee, an airman forced down on the islands, or a fleeing soldier whom the Filipinos did not hide, feed, and shelter, and on numerous occasions they planned and made successful his escape. There is not a single reported case where there was any treachery, even though induced by Japanese bribery, on the part of the Filipino people against any American soldier or civilian. Quite frequently Filipinos were tortured and sometimes shot, but not once did they give away any American.

On another occasion, four American aviators who were forced down were able to contact some Filipinos through whom a request was made for a submarine to come to take them off. Because of the difficulties involved, help did not come when expected. In this case two Filipinos secured a boat and took the four airmen a considerable distance through enemy-held islands to Leyte,

where they landed near General MacArthur's headquarters. After thanking these Filipinos for their daring act of rescuing those four American aviators, General MacArthur directed that their boat be loaded to the gunwhales with food and supplies as a reward for their heroic undertaking.

These instances, which are but few of many, illustrate the great loyalty, the unflinching resistance, and the fine spirit of cooperation which the Filipinos have constantly accorded our flag and our military forces. It shows that our policy of dignifying the Filipino, helping him on the way to ultimate independence, and our just and humane consideration of his welfare, have paid rich dividends. While the subjugated people of other lands have, in some cases, failed to cooperate with those who held sovereignty over them, the Filipinos are a striking exception to this rule. I cannot resist the thought that in spite of the wide advertisement that Americans know nothing about dealing with the people of other lands, and that our efforts in this direction are amateurish, we have proved to be surprisingly expert. Experience has already demonstrated that our example could be followed with great profit by those who are frequently regarded as having exceptional talent for dealing with foreign peoples.

What of present and future relationships between the United States and the Philippines? The first of these is the question of independence. I look upon independence as a settled issue. So does President Truman, so does President Osmeña, and so does General MacArthur. Every President, from McKinley down to Truman, has held out the prospect that eventually the Philippines would be given their independence. The Filipinos have asked us to make good on that promise. We have made good, and the event of Filipino independence on or before July 4, 1946, is as certain as anything human can be. There are, of course, persons in the Philippines, most of them being engaged in business and many of whom are not Filipinos, who for one reason or another do not favor independence. Anyone visiting the Philippines is likely to see much of such persons, and to form the opinion that nobody in the Philippines wants independence. However, one finds no such sentiment among the elected representatives of the Filipino people, nor, so far as I could learn, among the rank and file of the Filipinos themselves. There are a few Filipinos, of course, who do not favor the independence program, but the overwhelming majority of them now, as in 1934, want what our Government has solemnly declared they shall have, and they want no postponement of it whatsoever. Therefore, I think we should proceed in this Congress with the idea that Filipino independence is a settled issue. General MacArthur told me he so regarded it; so did President Osmeña, and I know that from talks with President Truman he also is in accord with this policy.

Immediate aid to the Filipinos, as I have pointed out, must be within the limits imposed upon us by our present and coming military operations. Much has

been done and much will be done to alleviate the worst aspects of their distress, even in spite of tremendous military demands, but any real program of helpfulness must, to a large extent, wait until conditions permit it. In the meantime, the Philippine government, national provincial, and municipal, is faced with difficult problems. Their ability to obtain revenues has been seriously impaired. I recommend to the Congress and to the administration that, if need be, we make such loans as are necessary to the Philippine government to carry it through this difficult period—say the first 3 years—and to supplement their diminished revenues. The Philippine government should have sufficient income to permit it to carry on civil government in the islands in the interests of all concerned. Obviously, the islands' own tax revenues in the first year will be small, but they will be larger in the second year and still larger in the third year. But during this 3-year emergency period United States loans may be necessary. Any such loans I am sure, would be repaid when better times come to the Philippines.

WAR DAMAGE RELIEF AND REHABILITATION

This Government, so far as I can ascertain from study, from the War of the Revolution down to date, has never paid war damages to its own citizens. What property the Army has requisitioned for its own use, it has, of course, paid for, but it has never paid for the damage inflicted on persons or property as a result of actual warfare.

During this war, arrangements were made to deal with this matter through the medium of the War Damage Corporation. The relationship of property in the Philippines to war damage insurance will undoubtedly be clarified later by act of Congress. I shall not discuss this insurance subject further at this time, because I learned that the War Damage Corporation has already sent men to the Philippines to gather information to help them formulate a policy.

It would be unwise in my opinion, at least for the present, if we were to depart from our long and traditional attitude toward war damages, that is apart from insurance. On the other hand, we would be a heartless and unappreciative Nation if we did not recognize the dire straits of the Filipino people as a result of the fighting with the Japanese. I, therefore, respectfully suggest to the Congress that we make a gift of \$100,000,000 for the purpose of assisting in the rehabilitation and reconstruction of the Philippines, this sum to be expended by our Army and Navy engineers in accordance with a program to be worked out by the Congress.

Such a program would help mightily in restoring the homes and the industry in the Philippines, whereas the mere payment of cash might not. At any rate, I do not believe, for many reasons which I shall not take the time to detail, that we should embark on a program of paying war damages per se apart from insurance—throughout the Philippines. Rather, I suggest that we make this appropriation in the form of a gift. This policy will permit us to retain our tradi-

tional attitude toward war damages on the one hand, while at the same time, on the other, to bring a large measure of aid to the people and industries of the Philippine Islands.

FUTURE TRADE RELATIONS

In the field of future trade relations between the Philippines and the United States, we run into many schools of thought. Some advocate perpetual free trade between the islands and this country; others advocate free trade for a limited number of years; others would put the Philippines, immediately after independence, on the same basis as that of any other nation in its trade relationship with the United States. This is a matter which Congress will have to consider, and it is difficult for anyone to chart a course at this moment which would be in the interest of both the Filipinos and our own people. However, I respectfully suggest some considerations which I believe are worthy of deep thought. Whatever trade policy this Congress adopts can be changed by any succeeding Congress. Trade relationships are never stable in the United States. We have had high tariffs and we have had low tariffs and we have had protective tariffs and tariffs for revenue only. We have had practically all of these while I have been a Member of the United States Congress.

If the present Congress were to promise the Philippines free trade for an indefinite period—or even for 20 years—the islands would immediately start shaping their economy to take advantage of that trade relationship. But if a subsequent Congress decided to discontinue the free-trade relationship after it had been in existence for some time, the Filipino economy would then be up against a stone wall. Confusion and chaos would result in the islands, and the welfare of the Filipino people would be seriously jeopardized. If, on the other hand, we gave them free trade for, say, a period of 10 or 15 or 20 years, at the end of that interval, if not before, they would also be up against a stone wall. Unless such a trade policy were further extended, they would then have to readjust their entire economy all over again. Obviously, such a proposal would not be in the eventual best interest of the Filipinos, for we must keep constantly in mind that there can be no guaranty that any trade policy enunciated by one Congress will not be changed or altered by a succeeding Congress.

Therefore, I respectfully suggest, as a basis of consideration, that we adopt a trade relationship with the Philippine Nation which will be definite enough to inform all concerned of what our policy is going to be now and in the future, and thus clear the air of uncertainty so far as we can. It seems to me that the proper course, taking into account all the present circumstances, would be to continue the United States-Philippine trade status which was in existence at the outbreak of the war for, say, another 3, 4, or possibly 5 years. Under that arrangement the United States tariffs on Philippine products would be low in relation to those that would apply to imports from other countries. This tariff plateau

would provide an opportunity for the islands to get on their feet again. We should then gradually proceed upward from that tariff level, over a period of years, until the Philippines are in the same status as that which is the lot of other free and independent nations. We can never make the Filipinos free and independent if their economy is to be linked to ours indefinitely. They can only be free and independent by actually being free and independent. That means that eventually, like France or Britain, Peru or Bolivia, China or Australia, they must stand on their own feet. I think we should set our sights for such a target eventually and make our program one that is broad and sympathetic, which will enable them to recover in part, at least, from the ravages of war, but which will eventually permit the Filipinos to stand upon their own economic feet.

Thus, if a program of a low-tariff plateau for several years, followed by progressive increases in tariffs carefully planned to lead them to a state of eventual economic independence is adopted, we will have made good all the implications and all the expressed precepts of a free and independent Philippine Nation.

On the other hand, if we were, because they are soon to be free and independent, to adopt a trade program which would put them on the same basis as that of other foreign nations and impose upon them immediately the same tariff rates which apply to imports from other nations, we would seem to be, and I believe we would be, not only unappreciative of the loyalty they have exhibited which no money on earth could buy, but we would be unsympathetic to the great hardships and long struggle this young nation must still make to achieve its place in the sisterhood of independent republics to which it will soon be an accredited member.

So, in summing up, I respectfully recommend to your consideration, first, that our independence policy stand and that we fulfill to the letter our promise; second, that we make such loans to the Philippine government as may be wise and necessary to carry that government through the period of real emergency; third, that we make a generous gift, say, of a hundred million dollars, to be expended by our own people under proper restrictions and conditions for reconstruction and rehabilitation in the islands; and that, fourth, we promulgate a trade policy which will give this nation a chance to live and recover but which will eventually confer upon her economic as well as political freedom.

I have submitted all of these proposals to President Truman. Undoubtedly the President will have something to say about them in due time. I express the hope that the Congress may think well of this program in general and as a basis, and that we may soon embark upon it and carry it to completion.

Before closing, I would like to give you this thought, for whatever it is worth: It is my profound conviction that it would be in the interests of better relations between the Philippines and the United States and would help all of us to plant our feet on the right road if my colleagues of the Senate and House

could find it possible, without injury to the war effort, to visit these islands, and preferably before too much time has passed. This is particularly true of those of us who serve on the Committee on Territories and Insular Affairs in the two Houses. No matter how much one reads about the war in the Philippines and in the East, no matter how much one looks at the pictures of the devastation war has wrought, it is impossible to get the actual feel of the place unless one moves around the islands for a while and sees, hears, and observes what has taken place there during the war. So I am hopeful that it may be possible for the members of these committees, and perhaps others, to visit the Pacific in the not far distant future.

As we look back on the Philippine experiment, we should be short-sighted if we viewed it simply from the standpoint of the Filipino Nation alone and ourselves. The Philippines are not far from the coast of Asia. It is only a few hours' flying time from Manila to China. The Philippines are of Asia; but while of Asia, they are more in the orbit of political, cultural, and trade relationships of the United States and of North and South America than they are in the orbit of Asia. Everywhere throughout Asia our humane and helpful relations with the Philippines are known. The attitude of our Government is admired and respected. The Chinese point to it as a striking example in practical idealism. The Arab world is familiar with our good faith and policies of helpfulness which we have followed in our relations with the Philippines.

This record is too good for us to mar now as we shake hands with this former ward, congratulate it on its success in achieving independence, and wish it well on the pathway of nationhood. The eyes of all Christendom are on us, and it is good policy, as well as simple justice, to see that we do what is right and proper to make Filipino independence a success and to show the world that there is at least one nation—and that is ours—and I hope more nations, on the face of this earth who not only talk of freedom but who actually carry out their professions.

We have a reservoir of good will and respect in the Philippines that is an asset of tremendous potential value. It has made friends for us all over the world. More than that, with our great bases at Guam and Saipan, in the Philippines, and elsewhere in the Pacific, I believe we have one of the greatest guaranties against a recurrence of war, particularly an aggressive war, on the continent of Asia or elsewhere. It stands to reason that the Japanese would never have attacked us at Pearl Harbor and elsewhere had they known of the potential might of this great country. That they underestimated our power to build and create goes without saying. That calculation, or miscalculation, if you please, was a primary factor in the Japanese invasion of China and eventually of much of Asia and the Pacific.

So today, with our great bases in the Marianas and Hawaiian Islands, in the Marshalls and Carolinas, together with

those in the Philippines, that might is on full display. Many of these bases are new ones under our flag. They have been bought with the most precious thing we possess, the blood of our young people. They lie in cemeteries which dot all these islands. We must forever hold them, not for the purposes of thwarting liberty or throttling trade or coercing or subjugating the people of any other nation, but as a guaranty that our young men and women 20 years or so from now will not again have to go forth on such a quest as that on which we are presently engaged. Had these Pacific bases been in existence 10 years ago, I am sure that Japan would never have invaded China. There would have been no Pearl Harbor. There would have been no war involving the whole of Asia, perhaps. Security is no longer national—it is international. The great nations of the world alone have the power to keep the peace. None of them has more power than have we. Our relationship with the Filipinos shows clearly that America will not abuse the power which God has given it, that our power shall be used for justice and for decency among the peoples and the nations of the earth, and that the right kind of leadership has at last come to keep the peace and to promote the civilization and welfare of all mankind, at least so far as we are concerned.

We should give up no base, whether previously a mandated island or not, which has been won by the blood of our gallant soldiers, sailors, and airmen. If we do, we will again invite war and its deadly cost in life. So long as we keep these bases, the threat of war will be reduced to the minimum. With our Navy the greatest in the world, with our Air Force the greatest in the world, we perhaps more than any other nation can exert an influence on world events, looking to a prevention of another war.

Unfortunately, some of our allies and associates, particularly in the Pacific, are not equipped with the resources and manpower to enforce justice among men and nations, certainly in this area. Therefore, whether we want it or not, we must do it if it is to be done. We must make our contribution of readiness and preparedness if a third world war, more deadly than the last two, is to be prevented. And in this high endeavor which all men of good will cherish and long for, I thank the kind Providence that the United States, in its dealings with the Philippines, has given an earnest assurance to all nations, that the ideals which we hold will not be tarnished and that the power we possess will be used constructively and not destructively, and that it will be exerted for justice henceforth in a troubled, war-sick, and devastated world.

[Applause.]

Mr. HAYDEN. Mr. President, I wish to congratulate the Senator from Maryland on the very able and informative address he has just delivered to the Senate. I ask unanimous consent that his remarks be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE SAN FRANCISCO CONFERENCE— NOTICE OF INTENTION TO ADDRESS THE SENATE ON MONDAY

Mr. BURTON. Mr. President, I wish to address an inquiry to the senior Senator from Kentucky [Mr. BARKLEY] and the senior Senator from Maine [Mr. WHITE]. I had in mind that it would be proper to make a somewhat extended statement on Monday with regard to the progress of the negotiations being conducted at San Francisco, with a view to supporting the work of our delegates there, and with a view to emphasizing the importance of international stability as a domestic necessity.

I should like to inquire of the majority leader and the minority leader whether the making of such a statement at that time might conform to or interfere with the regular business as planned?

Mr. BARKLEY. I may say, Mr. President, that the Senate will be in session on Monday, and, of course, the Senator from Ohio would be entitled to the floor, so far as I know, even if we have not concluded action on the measure now under consideration. I hope we may pass the bill this week, but if for any reason we do not, I do not know of any reason why the Senator from Ohio could not be given opportunity to express his views on Monday.

Mr. BURTON. I thank the Senator from Kentucky.

Mr. President, therefore I give notice that I expect to ask to obtain the floor on Monday with the view of making an extended statement with regard to the negotiations at San Francisco.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF SURPLUS PROPERTY BOARD

A letter from the Chairman and members of the Surplus Property Board, transmitting, pursuant to law, the second quarterly progress report of the Surplus Property Board (with an accompanying report); to the Committee on Military Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents in the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. J. Res. 208. Joint resolution making an appropriation for emergency flood-control work, and for other purposes; without amendment (Rept. No. 327); and

H. J. Res. 212. Joint resolution making a supplemental appropriation for the fiscal

year ending June 30, 1945, for the Children's Bureau, Department of Labor, and for other purposes; without amendment (Rept. No. 328).

By Mr. O'DANIEL, from the Committee on Claims:

S. 543. A bill for the relief of Felix Fredrickson; with an amendment (Rept. No. 329);
H. R. 802. A bill for the relief of Camp No. 1, Alaska Native Brotherhood, Sitka, Alaska; without amendment (Rept. No. 331);

H. R. 912. A bill for the relief of William H. Shultz; without amendment (Rept. No. 332);

H. R. 993. A bill for the relief of Mrs. Ellen C. Burnett; without amendment (Rept. No. 333);

H. R. 1038. A bill for the relief of Daniel B. Johnson; without amendment (Rept. No. 334);

H. R. 1059. A bill for the relief of Leonard D. Jackson and Elsie Fowkes Jackson; without amendment (Rept. No. 335);

H. R. 1488. A bill for the relief of Austin Bruce Bowen; without amendment (Rept. No. 336);

H. R. 1617. A bill for the relief of Hugh M. Gregory; without amendment (Rept. No. 337);

H. R. 1756. A bill for the relief of the estate of the late Demetrio Caquias; without amendment (Rept. No. 338); and

H. R. 2336. A bill for the relief of Osborne E. McKay; with amendments (Rept. No. 330).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 711. A bill for the relief of Ernest L. Fuhrmann; with an amendment (Rept. No. 339);

H. R. 1453. A bill for the relief of Edith M. Powell; without amendment (Rept. No. 340); and

H. R. 1482. A bill for the relief of the legal guardian of Samuel Wadford; without amendment (Rept. No. 341).

By Mr. ELLENDER, from the Committee on Claims:

S. 489. A bill for the relief of Caffey Robertson-Smith, Inc.; without amendment (Rept. No. 342);

H. R. 842. A bill for the relief of Mrs. Sadie L. Dance, Michigan Millers Mutual Fire Insurance Co., and State Farm Fire Insurance Co.; with amendments (Rept. No. 353);

H. R. 1091. A bill for the relief of Harold J. Grim; without amendment (Rept. No. 343);

H. R. 1243. A bill for the relief of Mrs. C. J. Rhea, Sr.; without amendment (Rept. No. 344);

H. R. 1328. A bill for the relief of Mrs. Cecilia M. Tonner; without amendment (Rept. No. 345);

H. R. 1606. A bill for the relief of Ethel Farkas, Julius Farkas, and legal guardian of Terez Farkas; with an amendment (Rept. No. 346);

H. R. 1611. A bill for the relief of Charles E. Surmont; without amendment (Rept. No. 347);

H. R. 2003. A bill for the relief of the legal guardian of Stewart Martin, Jr., a minor; without amendment (Rept. No. 348);

H. R. 2700. A bill for the relief of Alice Walker; without amendment (Rept. No. 349);

H. R. 2721. A bill for the relief of the Tobey Hospital; without amendment (Rept. No. 350);

H. R. 2730. A bill for the relief of Mrs. Jane Strang; without amendment (Rept. No. 351); and

H. R. 2925. A bill for the relief of Nelson R. Park; without amendment (Rept. No. 352).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BALL:

S. 1116. A bill to provide additional pay for enlisted men of the Army who are award-

ed the Medical Badge; to the Committee on Military Affairs.

By Mr. WALSH:

S. 1117. A bill to authorize the Secretary of the Navy to convey Casa Dorinda Estate in Santa Barbara County, Calif., to Robert Woods Bliss and Mildred B. Bliss;

S. 1118. A bill for the relief of First Lt. Jack Sanders, United States Marine Corps Reserve, for the value of personal property destroyed as the result of an explosion at Camp Lejeune, N. C., on January 22, 1945; and

S. 1119. A bill to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 146 at the naval operating base, Bermuda, on April 26, 1945; to the Committee on Naval Affairs.

By Mr. OVERTON (for Mr. McCARRAN):

S. 1120. A bill to provide for the reorganization of Government agencies, and for other purposes; to the Committee on the Judiciary.

EXPENSES OF HEARINGS BEFORE COMMITTEE ON APPROPRIATIONS

Mr. McKELLAR submitted the following resolution (S. Res. 132), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Appropriations, authorized by Senate Resolution 9, agreed to January 6, 1945, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, \$10,000 in addition to the amount of \$5,000 heretofore authorized.

EXPENSES OF HEARINGS BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. GEORGE submitted the following resolution (S. Res. 133), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Foreign Relations, authorized by Senate Resolution 9, agreed to January 6, 1945, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, \$5,000 in addition to the amount of \$5,000 heretofore authorized.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 209. An act for the relief of David B. Smith;

H. R. 981. An act to authorize payment of certain claims for damage to or loss or destruction of property arising prior to May 27, 1941, out of activities of the War Department or of the Army;

H. R. 1307. An act for the relief of Montgomery City Lines, Inc.;

H. R. 1527. An act to exempt the members of the Advisory Board appointed under the War Mobilization and Reconversion Act of

1944 from certain provisions of the Criminal Code;

H. R. 1567. An act for the relief of Katherine Smith; and

H. R. 1711. An act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

The Senate resumed the consideration of the joint resolution (S. J. Res. 30) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. THOMAS of Oklahoma. Mr. President, I ask that the amendment I offered immediately after the Senate convened today be laid before the Senate.

The PRESIDENT pro tempore. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. It is proposed to add the following new section at the end of the joint resolution:

SEC. 3. That for the purpose of restating and clarifying the policy of Congress with respect to the prices of agricultural commodities, as set forth in section 3 of the Emergency Price Control Act of 1942, as amended by section 2 of Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and as further amended by section 201 of the Stabilization Act of 1942, it shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal all costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield to me for a question?

Mr. THOMAS of Oklahoma. I yield to the Senator from Maine.

Mr. WHITE. Is the amendment which has just been read at the desk identical with the amendment which appears in the minority views?

Mr. THOMAS of Oklahoma. No. In one particular it is different, that is with respect to the citations of the existing law.

Mr. WHITE. But substantially it is identical?

Mr. THOMAS of Oklahoma. It is word for word identical so far as the legislation it proposes is concerned, but in the amendment embodied in the minority views the three statutes which are already in existence relating to this question are not properly stated.

Mr. President, I have copies of the amendment as it was read from the desk, and I ask that they be distributed to

Senators so they may read the amendment.

The PRESIDENT pro tempore. Without objection, copies of the proposed amendment will be distributed as requested by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, the amendment just read at the desk, which is offered as section 3 to the pending joint resolution, is the result of the hearings held before the Senate Committee on Agriculture and Forestry during the past 3 months. Conditions in the meat industry became so bad that the Senate authorized an investigation of them, and they were such as to justify the House in appointing a special committee to consider the difficulties and problems of the meat industry. Both committees made their reports, and they are now printed and are before the Members of the respective Houses.

Mr. President, in order that I may not take up any unnecessary time, and that I may make the statement as brief as I can, I desire to place in the RECORD some data which I think bear directly on the issue.

When the war came on a few years ago all agreed that it was necessary to enact some sort of price-control law—a law which would, so far as possible, prevent inflation. So the Congress took up this matter, and in 1942 enacted legislation under the title: "To further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes." This law, which was styled "the Emergency Price Control Act of 1942," was approved January 30, 1942.

Mr. President, this act contains one section seeking to protect farm prices throughout the United States. In order that it may appear in the RECORD at this time, I send to the desk the section referred to, and I ask that the clerk read the portion marked with a blue pencil.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

AGRICULTURAL COMMODITIES

SEC. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 percent of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), 110 percent of such comparable price, adjusted in the same manner, in lieu of 110 percent of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919, to June 30, 1929.

(b) For the purposes of this act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops corn, wheat, cotton, rice, tobacco, and peanuts, the Secretary shall determine and publish a comparable price whenever he finds, after in-

vestigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a).

Mr. THOMAS of Oklahoma. Mr. President, that was the law enacted to insure farm producers that during the war they could at least have, so far as the law could give it to them, fair and equitable prices. The Administrator, which means the OPA Administration, disregarded this provision of the law to such an extent that within less than 1 year the Congress was called upon to reconsider the matter, and in October of 1942 it undertook again to give the OPA a directive.

I now send to the desk a further provision which the Congress passed, in which it sought to direct the OPA as to what to do with respect to farm prices. I ask that the portion of this law which I have marked, be read at the desk. It is from the act approved October 2, 1942.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Provided further, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing; *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

Mr. THOMAS of Oklahoma. Mr. President, after the Congress had acted the second time, still the OPA authorities refused to proceed in accordance with the manifest policy of the Congress. So by the year 1944 the Congress had to pass another act in an effort to get the OPA authorities to follow the policy laid down by the Congress.

I send to the desk a copy of the Stabilization Act of 1942, approved June 30, 1944, and ask that the portion on page 12 which I have underscored be read.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

SEC. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: "*Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section!";

(b) Section 3 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph it shall be unlawful to establish or maintain any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

Mr. THOMAS of Oklahoma. Mr. President, some might inquire why the Congress is called upon to consider this matter a fourth time. My reply to such an inquiry would be that it is because the OPA authorities have wholly disregarded the acts of Congress, not only in one case, but in three cases, because there are three sections of the law, in separate acts, which direct the OPA authorities to give consideration to farm commodity prices on the basis of the policy enunciated by the Congress; and the OPA authorities refuse to do so.

Some one might ask, "What explanation have you to give?" The explanation I have to give is that the OPA does not desire to have any directive given it by the Congress of the United States. So far as farm commodities are concerned, it does not now have any directive with respect to farm prices. If the OPA had its way, it would repeal—and in effect it has repealed—each of these three sections. Not only has the OPA repealed these three sections, but the Emergency Court of Appeals has likewise repealed them. I have before me an opinion of the Emergency Court of Appeals which was handed down recently in case No. 101. It is the case of Armour & Co., an Illinois corporation, against Chester Bowles, Price Administrator. The case was decided on March 29, 1945. I desire to read from the opinion. I quote from page 15:

Without undertaking to define precisely what is meant by "out-of-pocket costs," they do include direct labor and material costs, and undoubtedly exclude general overhead such as administrative and selling expenses.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WAGNER in the chair). Does the Senator from Oklahoma yield to the Senator from North Dakota?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. Will the Senator state the facts of the case, so that we may understand to what the decision related?

Mr. THOMAS of Oklahoma. This was a meat case. Armour & Co. was appealing from the order of the OPA. The OPA refused to allow the packing companies, great and small, to include in their costs of production administrative and selling expenses. I do not understand how an organization could live unless it included in its costs both administrative expenses and selling expenses. In this case the OPA refused to permit Armour & Co. and other companies to include in their cost items their administration and selling costs. The Emergency Court of Appeals said:

They do include direct labor and material costs, and undoubtedly exclude general overhead such as administrative and selling expenses.

Further on the court sustains the OPA decision. I desire to have read at the desk the last page of the decision, because it relates to the laws which Congress has enacted. The opinion concludes with the following statement:

A judgment will be entered dismissing the complaint.

That means that the Emergency Court of Appeals held against the packing company and sustained the OPA contention that the packing companies are not entitled to have their administrative costs included in their costs of production. Neither are they entitled to have their selling expenses included in their costs of production.

I ask unanimous consent that the portion of the opinion which I have indicated be read at the desk.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

In the act of October 2, 1942 (56 Stat. 765), now cited as the Stabilization Act of 1942, the so-called McKellar amendment added a proviso as follows:

"Provided further, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. . . ."

The only legislative history with reference to the amendment is found in a statement on the Senate floor by Senator Brown, who had charge of the bill, explaining the amendment thus:

"Mr. President, that amendment is in line with the policy already established by the Price Control Act, and I believe it is substantially a restatement of existing law. As I understand, the Senator from Tennessee desires that the policy be restated in the joint resolution. Personally, I have no objection" (88 CONGRESSIONAL RECORD 7494). In other words, the McKellar amendment did not modify the basic statutory standard in section 2 (a) that maximum prices must be "generally fair and equitable," which would naturally mean that the prices established must allow a generally fair and equitable margin. As we held in the Gillespie case, where industry earnings under price control have remained at or above the representative peacetime level, the prices established for a particular product produced by a multiple-product industry provide a generally fair and equitable margin when they are sufficient to

allow the recovery of out-of-pocket costs in respect to such product.

Contrary to complainant's contention, we do not deem relevant to the present case the proviso introduced by way of amendment to section 2 (a) by the Stabilization Extension Act of 1944, as follows: "Provided, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods." RMPR 169 contains no provision requiring changes in cost-accounting methods; the industry remains free to follow its old cost-accounting practices. The Administrator has merely refused to accept the cut-out test method used in the industry as the yardstick for determining whether the maximum prices are generally fair and equitable. It surely was not the intention of Congress to require the Administrator, in discharging his duties under section 2 (a) to accept at face value the results indicated by whatever method of cost accounting the industry has chosen to pursue. For the same reason we hold that the regulation does not operate "to compel changes in the business practices, cost practices, or methods . . . established in any industry," contrary to the prohibition of section 2 (h) of the act as amended.

A judgment will be entered dismissing the complaint.

Mr. THOMAS of Oklahoma. Mr. President, that decision is offered to show—and it shows conclusively—that the OPA has disregarded the three acts of Congress. Secondly, it shows that the Federal Emergency Court of Appeals, appointed pursuant to law to consider appeals from the OPA, sustained the OPA in its disregard of the law.

In effect, this opinion repeals each of three sections of the law upon the statute books today; and, so far as the OPA is concerned, and so far as the farm price problem is concerned, there is no law that the OPA recognizes, and there is no law that the United States Emergency Court of Appeals recognizes. So the amendment offered this afternoon is intended to give the OPA a fourth directive. If this amendment is adopted and becomes law, and the OPA disregards it I presume Congress cannot compel the OPA to enforce the law. All we can do is to enact the law, and then try to get the agencies to enforce it. Of course, we have remedies against agencies of the Government which refuse to enforce the law. Insofar as I am concerned, I should like to make use of some of those remedies, if I could have my way about it.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Johnson of Colorado in the chair). Does the Senator from Oklahoma yield to the Senator from North Dakota?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. I remember that at the time when the Tydings amendment was before the Senate and when the Selective Service System refused, as Senators will recall, to defer farm boys, I asked the distinguished senior Senator from Ohio [Mr. Taft] what remedy we had against Mr. Hershey. His reply was very unsatisfactory.

I should like to know what power the Congress has, aside from withholding appropriations, against some of the agencies which are appointed by the Executive.

Mr. THOMAS of Oklahoma. Mr. President, the incident cited by the distinguished senior Senator from North Dakota is in point. The Congress attached what is known as the Tydings amendment to the Selective Service Act. The authorities who were to administer that law refused to abide by it and paid practically no attention to it. So the Congress was forced to make a second attempt to make the law so plain that they could not disregard it. Even though we made a second attempt, in my opinion, the law is not being enforced as the Congress intended it to be enforced.

But now we have no law upon the statute books which in any way protects the farmers in respect to the prices paid for their commodities during the war.

Mr. President, at this point I send to the desk a telegram which I have received. It verifies the statement I have just made. The writer of the telegram is Mr. Wilbur LaRoe, Jr. It is true that he is an eminent lawyer, and some persons may not wish to take his viewpoint; but I think his judgment is to be respected, and I think his opinion is sound. I ask unanimous consent that the telegram be read at the desk.

The PRESIDING OFFICER. Without objection, the telegram will be read.

The Chief Clerk read as follows:

CHICAGO, ILL., June 7, 1945.

HON. ELMER THOMAS:

Supreme Court decision denying certiorari Armour case nullifies McKellar amendment in present statute by supporting contention of OPA that the amendment is without significance. This makes doubly necessary a new amendment in language so clear and specific that it cannot be nullified by interpretation.

WILBUR LAROE, JR.

Mr. THOMAS of Oklahoma. Mr. President, the investigation held by the Senate Committee on Agriculture and Forestry disclosed a great many things which were somewhat alarming. We found conclusive evidence that there exists in this country a vast black market. The OPA knows about this black market, because I exhibit to the Senate a release from the OPA, dated May 30, 1945, which was only 8 days ago. It is a report by Chester Bowles, Administrator of the OPA, to the Members of the United States Senate and House of Representatives. On page 2 of the release Mr. Bowles says:

By May 25 only 15,220 nonfederally inspected slaughterers had registered with the OPA for their quotas. No doubt some of those who have not registered still intend to do so. It is safe to say, however, that the great majority of the 11,000 which failed to apply had been operating in the black market. Today they no longer can do business.

He means by that statement that they no longer can do business legally. Mr. Bowles admits, speaking for his organization, that a great majority of the 11,000 slaughterers-packers are operating in the black market. One-half of 11,000 is 5,500; so he says that a large number in excess of 5,500 are operating in the black market today.

Mr. President, that is one thing the amendment seeks to cure. If the amendment is agreed to and if it becomes operative as its proponents think it should,

it will exert a powerful influence, we think, in stopping and terminating the black market. It will permit the packers to live. They cannot live now, under existing conditions. Their packing houses are closed. Until recently four packing houses were operating in the city of Washington. How many are operating now, Mr. President? My information is that none are operating now. Why are those packing houses not operating in the District of Columbia? Why are others not operating throughout the States of this Republic? They are not operating because under the rules and regulations and ceilings provided by the OPA they cannot exist, and as a result they have gone out of business and have closed their doors.

This matter was called to the attention of the OPA authorities by the Senate and House committees. The OPA has made three separate attempts to bring about a better condition in the meat industry. The investigations by the two congressional committees, when the reports based on them were filed, forced the authorities of the OPA to take notice of the recommendations. So the organization in control of prices made three separate attempts to help the meat industry. The first effort, step No. 1, was made while the hearings were being held, but the meat industry said that the amended orders were of no benefit to them, and that in many particulars they were worse than the first orders. So the OPA could not get by with that adjustment.

The complaints continued; so the OPA then took a second step; it brought out what it called a 10-point program, and it put that program into operation. The meat industry said that program was better than the first one, but it was not sufficient, and they could not operate under it.

So the OPA had to take notice of those complaints; and then, as a last resort, being forced by both Houses of Congress, it brought out program No. 3. That program has afforded some relief to the packing industry, especially to the larger packers; but under the program the small packing house quotas have been limited. So the packing house located out in the country is allowed to slaughter only so many hogs a month and so many cattle a month.

Mr. President, the report which Mr. Bowles, as Administrator of the OPA, made to the Congress made one promise to which I wish to call the attention of the Senate. He made a promise to the meat packers of America that at the end of the year, if they have suffered a loss, they may file a statement of their loss for investigation, and if they can convince the OPA authorities that they have suffered a loss, the OPA will then pay, in the form of a subsidy, a sufficient amount of money to cover the loss. No profit whatever is provided for.

Mr. President, it is obvious to me that the fact that the OPA authorities gave this promise to make good or make whole and protect from loss the packers at the end of the year is an admission on the part of the OPA that the packers are not now making money. That is exactly the fact.

Mr. President, I now wish to read from the 10-point program which was issued only recently by the OPA authorities.

Mr. BALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BALL. Does the Senator know of any law under which the OPA could fulfill its promise to make any individual concern whole at the end of the year?

Mr. THOMAS of Oklahoma. That is the point I was going to make, Mr. President. I know of no such law. I have asked attorneys who have time at their disposal to search the law books, but I have found no attorney who has been able to find such a law. I have asked the OPA to cite the law which would give them such authority, and they have not cited any. So I make the statement that there is no law which authorizes the OPA to pay a subsidy at the end of the year to any concern which can show it has incurred a loss. Yet that is one of the promises the OPA made to the packers. The OPA made it on April 23, when this release was issued. The OPA has made it since, and it made the promise again only this morning, before the Senate Committee on Banking and Currency.

Mr. President, inasmuch as the part which I have read embraces approximately but three or four paragraphs, I send the release to the desk and ask that the clerk read the portions which are indicated by a blue pencil mark.

The PRESIDING OFFICER. Without objection, the clerk will read as requested by the Senator from Oklahoma.

The Chief Clerk read as follows:

INCREASES, IF NECESSARY, IN SUBSIDY PAYMENTS
OR PRICE CEILINGS ON PORK

It is expected that OPA's present study of the price ceilings for pork and pork products will be completed so that a final decision can be made known on or before May 10, 1945. As previously announced, any increases which prove necessary will be made effective, by means of subsidy payments, retroactively to April 1, 1945. Such increases will be made effective for the future either by an increase in subsidy payments or in price ceilings or by a combination of both. In making such determination, the adjustments on beef will be taken into consideration. If the final determination is not made by May 10, there will be an interim subsidy payment of 40 cents per hundredweight, subject to later adjustment upward or downward in accordance with the final decision.

ADJUSTMENTS FOR INDIVIDUAL SLAUGHTERERS

A primary feature of today's program is a special adjustment plan designed to make certain that no individual slaughterer who operated profitably in peacetime will be compelled to discontinue operations during the present critical period.

The adjustment will take the form of a special subsidy to be paid by the Defense Supplies Corporation on certification by the Office of Price Administration.

Any slaughterer whose plant operated profitably within the period 1938-41 and who believes that in the absence of further adjustment he will be unable to operate without loss for the balance of his current fiscal year, will be eligible for the special subsidy if he has been in compliance with applicable price and rationing regulations during the period for which he seeks relief. To show that his plant operated profitably in the period 1938-41, the slaughterer must show that during that period or such part of it as the plant was in operation the business

either earned a profit on sales of meat and related products on the average for the period of operation or earned such a profit during at least half of the years within the period.

Mr. THOMAS of Oklahoma. Mr. President, the clerk has read the substance of the provision. There is one line on the next page which has been underscored with a blue pencil. I ask that that line be read.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk read as follows:

First, an increase of 25 cents per hundredweight is authorized in the maximum prices of carcass beef of choice, good, and commercial grades on sales to the Government. For Army frozen boneless beef an increase of 35 cents per hundredweight is provided, because of an approximate 30-percent shrinkage incurred in the boning operation. Comparable adjustments are being made on sales to the War Shipping Administration.

Mr. THOMAS of Oklahoma. Mr. President, that is as much of the document as I care to have read. I do not desire to put all of it into the Record because I believe Members have copies of the release in their office files.

I invite particular attention of the Senate to this matter because it is unusual for a Federal agency to make a promise to the people of America that at the end of a fiscal year, if they can show they have suffered a loss during the year, the agency will give them a special subsidy in order to make up the loss which they have sustained. That is exactly what the OPA has done with respect to the slaughterhouses of America. I submit this question to the OPA: How can you expect the slaughterhouses to operate for a year at a loss and still maintain themselves in business?

Mr. President, most slaughterhouses are not gigantic institutions. There are what are known collectively as the Big Four, but of the 26,000 slaughterhouses located throughout the United States, most of them are small institutions. In order to obtain money for the operation of their business, those slaughterhouses must frequently borrow from the banks. I doubt if any bank in America would loan a packing house money with which to conduct its business if the only assurance the bank could receive of a repayment of the loan was that at the end of the year the OPA, according to its promise, would make good the loss which the packing house had sustained. I cannot find one law which authorizes such a promise. So far as I know, there is no law which authorizes the OPA to make a promise of that nature. If there were such a law, Mr. President, the OPA would first have to obtain the money in order to pay the subsidy. It cannot merely write a check for the money. It must first ask the Congress of the United States for the money in order to make special payments in the form of special subsidies for the purpose of remunerating packing houses for the losses which they have sustained during the previous year. Banks will not make loans on such a basis. That being true, the slaughterers cannot finance themselves, and many of them have ceased to operate. They will continue to cease operations

so long as the order to which reference has been made remains in effect.

Mr. President, I have had numerous conferences with the agency known as the OPA, lasting for a considerable time. After a recent conference I wrote Mr. Bowles a letter setting forth the position, as I understood it to be, of the Committee on Agriculture and Forestry. I do not desire that the letter which I wrote Mr. Bowles be read, but I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
June 5, 1945.

HON. CHESTER BOWLES,
Administrator, Office of Price
Administration, Washington, D. C.

DEAR MR. BOWLES: I acknowledge receipt of your favor of the 4th instant and note your report on the recent changes in the rules and regulations made by your organization with respect to the meat industry.

The investigation ordered by the Senate was caused by the number of complaints coming in to Members of the Senate from their respective States and inasmuch as such complaints must have been reaching your office and nothing was being done with respect to them, it appeared to the Members of the Senate that the complaints were having little, if any, attention by your organization. Resolutions were passed by both the House and Senate authorizing committees to make an investigation and submit reports with respect to the meat industry.

After such committees were appointed and the investigations were begun, your organization did take notice of the meat situation and did take a step which was offered as a solution of the problem about which the complaints were made.

Your organization having made the meat program, must have been in possession of all the facts relating to the industry from the producing of meat animals to the sale of processed meats to the ultimate consumers. Knowing of these conditions you had full authority to adjust the rules and regulations so as to have brought about the relief which was demanded.

Your first step, or adjustment No. 1, was of so little aid that it was rejected. Thereafter you brought out your 10-point program, and again the changes and adjustments were not accepted. Following your second attempt to so adjust the rules and regulations and subsidies as to permit the small packers to continue to exist, and having failed in the opinion of the meat industry, the respective committees of the two Houses brought forth and submitted their respective reports, whereupon a third step was taken by your organization.

To this date I have not had sufficient reaction from the meat industry to enable me to judge of the sufficiency of the relief granted.

Speaking for the State of Oklahoma alone, I have continuous complaints coming in with respect to the provisions of the program. The northern part of my State is practically a solid wheat field and this year we have one of the best crops in our history. Through your rules and regulations you have limited such packing houses as we still have left to such a low quota that the packers are having to remain idle most of the time. We have, in my State of Oklahoma, more hogs and cattle than we ever had, and many of these animals are ready for slaughter, yet because of the low quotas the slaughter houses cannot kill, which in effect, first de-

stroys the market for the live animals and, second, it prevents such slaughterers from providing meat for the population residing in the area where the cattle and hogs are held and where the slaughterhouses are idle.

Farmers who produce only a few head of cattle and hogs for the market cannot, with profit, transport such animals long distances to a slaughterhouse under Federal inspection; hence, stagnation is the result of your policies in most of the State of Oklahoma. Perhaps this is not the worst part of the program. Because the wheat section of Oklahoma has lost a vast amount of its population to foreign defense plants and to the military service, it will be necessary to import into the State a number of harvest hands equal from 15 to 25 percent of the population of the wheat counties in order to insure the harvesting and saving of the crops of Oklahoma farmers.

In passing, I call your attention to the fact that the wheat and oat harvest is now on in Oklahoma. While I cannot speak with authority, I am satisfied that the conditions prevailing in Oklahoma are prevailing or will prevail in each of the farm sections and especially in the Wheat Belt of the Central West.

Because of your present policies the hotels and restaurants are unable to procure meat for their tables and the farmers are unable to procure meat to serve to the harvest hands which they will be compelled to provide for on the farms. Men engaged in harvesting farm crops must have some form of meat, otherwise they will not engage in that class of work undernourished and with an inadequate supply of proper food.

While the Senate investigation was devoted primarily to the meat industry, yet I share the feeling of many members of the Senate that your organization has not administered the law as the Congress intended that it should be administered. At this point let me call your attention to the provisions of the original law, Public Law 421, Seventy-seventh Congress; approved January 20, 1942. The portion I desire to call your attention to is found in section 3, as follows:

"Sec. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 percent of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), 110 percent of such comparable price, adjusted in the same manner, in lieu of 110 percent of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period of July 1, 1919, to June 30, 1929.

"(b) For the purposes of this act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts, the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

"(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a)."

In addition to the provisions of the original law, I call your attention to the act (Public Law 729, 77th Cong.) approved October 2, 1942, and call your attention to provisos contained in section 3 of said law. Such provisos are as follows (so-called McKellar amendment):

"Provided further, That in the fixing of of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor."

To justify the statement just made that your organization has failed to administer the law as intended by the Congress, I call your attention to the provision of the act passed and approved on June 30, 1944. This act has as its title "To amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes." Obviously believing that the act was not administered as intended, the Congress placed in the law just mentioned the following provisions:

"Sec. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: '*Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section.'"

"(b) Section 3 of such act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled 'An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity)."

Pursuant to the law enacted by the Congress, it assuredly was the intent to enact no legislation nor to provide for any administration which would prevent farm commodities to rise to that point where the full parity price would be reflected in the amount paid to the producer. Even with a world war in existence and with over \$28,000,000,000 of currency in circulation and some one hundred and forty-five billions of credit money in existence, your organization has so administered the prices of processed arti-

cles so that a number of farm commodities have not yet been permitted to rise in price sufficiently to enable the farm producers to secure the full parity price.

For example, on May 15 of this year, the parity price of wheat was \$1.53 per bushel, yet the price paid to farmers was only \$1.49 per bushel. On the same day the parity price of rye was \$1.25 per bushel, while the price paid to the farm producers of rye was only \$1.12 per bushel. On the same date the parity price of cotton was 21.45 cents per pound, while the price paid to cotton farmers was only 20.51 cents per pound. On the same date the parity price of corn was \$1.11 per bushel, while the price paid to the farmer producer of corn was only \$1.08 per bushel.

I realize that the price paid to farmers on the average is almost a full parity price, but still, with all the favorable conditions to prices, full parity prices have not been secured to farmers to date.

With respect to meat prices I have no complaint that ranchers and farm producers of hogs, cattle and sheep are not receiving the full parity price; however, with respect to meat the complaints coming to me are from feeders and small slaughterers. I have no complaints to speak of from the producers of livestock and neither have I complaints to speak of from retailers of the processed meat. Complaints are insistent that the feeders cannot operate and that the small slaughterers were in a "squeeze," wherein they could not operate without sustaining severe losses; hence, with respect to the meat industry the complaints were limited to a proper price to the feeders and to a proper spread between the price paid the slaughterers and the price they were permitted to receive for the processed products under your rules and regulations.

As stated before, I am not prepared to pass on whether or not your most recent order carried sufficient relief to permit the feeders to reengage in "feeding out" cattle and whether or not such regulations were sufficient to permit the small slaughterers to reopen for business with some prospect that they might break even, if not make a profit.

While I cannot, as yet, make a positive statement, I am advised by a number of slaughterers that your latest program does not permit them to receive their costs or to make a fair margin of profit.

In conclusion, I think the question is much more fundamental than whether this or that program provides the needed relief. In my opinion the one thing that is largely responsible for the present distress of many small companies processing agricultural commodities is the Office of Price Administration's faulty pricing policies based upon the overall industry profit test supplemented by the secondary standard profit cost. As you know, this pricing policy has been approved by the court in several cases and it seems to me that Congress must, by legislation, remedy this defect in administration.

Inasmuch as your administration of the law has brought about so much controversy and so many complaints, it would seem to me that you would welcome a further directive by the Congress as to just what policies you should follow with respect to agriculture, as well as other commodities.

For the reason stated, I feel that the amendment introduced by myself and now pending before the Senate for consideration should be called up and offered in the Senate as an amendment to Senate Joint Resolution 30, the proposal to extend the Emergency Price Control Act, as amended, and the Stabilization Act of 1942, as amended.

In thus answering your favor I do not wish to have you think that I am lacking in confidence of either your ability or willingness to administer the law as you interpret it and as you think the law should be interpreted to bring about the best conditions for all the people of our great country; how-

ever, I know that you have a vast number of highly trained experts who are making the determinations and, in effect, the decisions with respect to the many matters over which you have jurisdiction.

Assuming to speak for the citizens of one State, I am convinced that the public interest demands that the Price Control Act should be extended; however, I likewise assume to speak for one State when I say that I think just as strongly that the public interest would be served by the enactment by the Congress of a further directive clarifying the intent of the original act and further clarifying the intent of the so-called McKellar amendment, and the amendment which I have pending before the Senate seeks to do this identical thing.

If the Senate agrees to the amendment, then it will go to the other branch of the Congress, and if concurred in by the other branch, it should express the third attempt of the Congress to define your powers and duties so definitely that misinterpretation thereafter will be impossible.

Respectfully submitted.

ELMER THOMAS.

Mr. THOMAS of Oklahoma. Mr. President, on yesterday, June 6, 1945, Mr. Bowles, the Administrator of the Office of Price Administration, sent me a letter which I send to the desk and ask to have read.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 6, 1945.
The Honorable ELMER THOMAS,
Chairman, Agriculture and
Forestry Committee,
United States Senate.

DEAR SENATOR THOMAS: You have asked for a statement of the policy which the Office of Price Administration will follow in pricing the products of the various species of livestock.

Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production and even distribution, this Office, in addition to satisfying all the various mandatory requirements of the present law, will see that the products of each of the three main groups of livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

To the fullest practicable extent the Office will see that each of these groups of products is separately profitable at all times, regardless of live animal prices. It will at all events see that each group is separately profitable on an annual basis.

I have discussed this letter with Judge Vinson and Mr. Davis, and they authorize me to say that they concur in it.

Sincerely yours,

CHESTER BOWLES,
Administrator.

Mr. THOMAS of Oklahoma. Mr. President, I wish briefly to comment upon the letter. In this letter Mr. Bowles has promised that he will see to it that every branch of the packing industry relating to beef, pork, mutton, and lamb, will operate at a profit. I desire to reread that particular paragraph of the letter:

Recognizing the critical shortage of meat and the imperative need of avoiding any impediment to maximum production and even distribution, this Office, in addition to satisfying all of the various mandatory requirements of the present law—

Mr. President, there are no requirements of the present law. The OPA has

disregarded them, ignored them, and has been sustained in its position by the Emergency Court of Appeals. I assert that there is no law which forces it to do anything. So it is very easy to make a pledge that all existing law will be enforced when the OPA does not recognize that any law governing the matter is in existence.

The paragraph continues:

will see that the products of each of the three main groups of livestock—cattle and calves, hogs, and lambs and sheep—are each, separately considered, on a profitable basis.

Mr. President, that is all the pending amendment would do. It would do but one thing, namely, to write into the law an assurance or a statement of the policy of Congress that the packers shall have a profit on their cattle and calf production, a profit on their hog productions, and likewise a profit on their lambs and sheep production. So, Mr. President, all the amendment would do would be to write into the law a forthright direction to the Office of Price Administration in an effort to compel that agency to give farmers and ranchers a fair price for the products of their land. Of course the amendment covers not only meat, but all agricultural products, everything that grows upon the farm.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WAGNER. I was going to ask to have read, if the Senator will permit me to do it now, the provision of the law by which the OPA does the very thing the Senator has in mind, I think that is at the end of the year to make up by way of subsidy any losses which may have been incurred. I was going to ask that that may be read now, or, if that is not agreeable to the Senator, I will ask that it be read at a later time.

Mr. THOMAS of Oklahoma. That section has just been read within the last 5 minutes.

Mr. WAGNER. Not section (e), because I know that Judge Vinson, who is a very able lawyer, and Mr. William Green, who is one of the best lawyers in New York, both interpret that section in a way to justify the very thing which the OPA has agreed to do and is doing.

Mr. THOMAS of Oklahoma. That is true. The OPA interprets that law in harmony with its recent actions, and its recent actions refused to recognize the right of industry to make a profit or even to pay their costs, because the OPA is going to give them back their losses at the end of the year, if they sustain losses.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. THOMAS of Oklahoma. I yield.

Mr. MORSE. I wish to say, Mr. President, that, in my judgment, if we are going to correct maladministration of the OPA the time to do it is now when they want further congressional sanctions for their program. I favor the objectives of OPA, but I shall continue

to criticize their mistakes and maladministration. I am not at all impressed by Mr. Bowles' letter, because in my honest opinion, judging from past experience, he will not make good on that letter.

Last September, as I said on the floor yesterday, Mr. Bowles made the statement that the OPA would not be guilty of repeating the costly mistakes it has committed for 2 years in the West in regard to the sheep industry. However the sad fact is that the same mistake is being made again.

With the Senator's permission, I should like to read into the RECORD at this point an article which appeared in the Oregon Journal of May 30, 1945, written by one of the most able reporters and correspondents on the west coast, Mr. Robert A. Holley, entitled "Lamb Problems Face Northwest." The article reads as follows:

Oregon's lamb rationing problem, the bane of district, regional, and national OPA, came within close range today.

"From all appearances, it will be the same old story of 'too little, too late' unless the OPA moves fast," R. L. Clark, livestock industry spokesman, president of Bodine & Clark Livestock Commission Co., commented when reporting that thousands of Willamette Valley lambs are ready for market.

Clark explained that butchers are literally crying for the lambs, State inspected plants are limited by slaughter quotas, and "the big federally inspected plants won't kill them until they get the price down."

"Willamette Valley farm lambs are traditionally marketed from now on through August. Since San Francisco packing plants are loaded to capacity with California lambs, it is necessary to market all lambs for the next few weeks in the Northwest."

The Portland district OPA has been given all kinds of advance notice on the 1945 lamb marketing problem by agricultural leaders and livestock associations. The Western Oregon Livestock Association passed a resolution February 13 asking that rationing of lamb be suspended from June through August, "so the crop will not be wasted." Oregon Wool Growers' Association went on record urging removal of ration points from lamb during the rush market season and asking association officers to impress upon OPA that lambs form a seasonal perishable crop.

But even if lamb were in the meat-market showcases, the consumer would not be able to buy it because he is bankrupt on red stamps. Thousands of housewives bought fish on Tuesday to serve their families over Memorial Day holiday. A survey of downtown markets late Tuesday showed customers standing, two and three deep, at fish-market counters, while at meat markets there were more employees than customers.

If the Senator from Oklahoma will yield a moment longer, I should like to refer to a couple of very basic points which I think should be kept in mind throughout this debate. First, the meat problem throughout the country has raised regional differences. I grant it is desirable, wherever possible, to have a uniform policy but it is necessary to take into account the realistic facts of what the meat producers of this country find themselves up against.

In order to make myself plain, because it illustrates the principle which I wish to emphasize, let me take a moment to say that in Oregon we have what is called the Willamette Valley and in that

valley we have what we call soft lamb. There is no higher quality lamb raised in the country, but it cannot be shipped long distances. It is not the kind of lamb that will stand shipment because of the great shrinkage it suffers in shipment. This is true also of the lamb in other sections of my State. Before the war and throughout the history of the industry Oregon lambs were slaughtered in local slaughterhouses throughout Oregon and principally in Portland. Oregon lamb has been sold to consumers of Oregon almost entirely. For 2 years the production of lambs in Oregon has been going down. This year the reduction is somewhere between 25 and 40 percent. Why? Because OPA will not be sufficiently realistic to recognize that when Oregon lambs are ready for market they must be sold and consumed in a regional area. We have asked OPA each year to lift the ration points on Oregon lambs. Last year the district OPA office in Portland agreed that was the only way to solve the problem; but Mr. Bowles, in Washington, refused to sustain the Oregon office, and so thousands of dollars were lost to sheep producers in my State. The same mistake was made 2 years ago. One of the results has been the loss to the consumers of millions of pounds of lamb through shrinkage and nonproduction.

Last September, however, when we finally persuaded Mr. Bowles at least to stop by on his way from San Francisco to Seattle by air, he dropped in at the Portland airport and a considerable number of representatives of business and livestock interests of the State waited upon him. He admitted in that conference that the Office of Price Administration had made a mistake for 2 years in handling Oregon lambs, and he gave assurance that the error would not be repeated. That is why I say to the distinguished Senator from Oklahoma that the letter with Mr. Bowles' signature attached to it, insofar as I am concerned, is not worth the paper on which it is written. He has not made good on his promise to prevent a repetition of OPA's 2-year mistake in handling Oregon lambs.

Let me make one other point. In facing the meat problem in this country we are facing also the problem of production. That is why I intimated in my remarks yesterday that to me it is unthinkable and a demonstration of great stupidity on the part of governmental agencies charged with the responsibility of increasing livestock production in this country that in the midst of a war the Government should be taking the position that the production of livestock should be reduced.

We were told yesterday by the distinguished Senator from Illinois [Mr. Brooks], as I recall—and his statement was admitted by the majority leader—that the Government agencies took the position last year that hog production should be reduced 16 percent. That is the same sort of economic waste, so far as its realistic results are concerned, as if that amount of livestock were killed and destroyed, for certainly, the meat has been made unavailable to the consumers of the country.

In my judgment, as a Congress, we have got to do something to correct this mistake before the pending legislation is finally passed. Mere promises out of Mr. Bowles are not enough. I think it is time we should put into the law language which will require OPA to adjust its meat program to the realities of the situation. I for one am not going to vote to give Mr. Bowles the blanket authority he has had in the past. I think the time has come when the Government should assure the livestock producers of this country that they are not going to be subjected further to the arbitrary and capricious power of the OPA, but that they are going to have assurance, in the letter of the law, that the type of promise Mr. Bowles sets forth in his letter to the Senator from Oklahoma will be made good by statutory mandates.

Mr. THOMAS of Oklahoma. I thank the Senator for his statement. All the amendment seeks to do, Mr. President, is to restate and clarify and make definitely certain that the farm commodities of this country shall be produced not only at cost but at reasonable profit.

Let me ask one question of Members of the Senate. Do Senators know of a single contractor who has built an Army camp or a Navy camp who has made an Army plane or a Navy plane, who has made a tank, a truck, a gun, or what not, for the war effort, who has not made a profit? If so, I have not heard of such a contractor.

Mr. BROOKS. Mr. President—
The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROOKS. I think the Senator from Oklahoma is entirely correct. Throughout the entire war effort contractors made so much profit that we had to renegotiate the contracts and get money back from the profits that were made out of the war. While we were appropriating money to meet their contracts, they were inducing labor to leave the farms, so that we not only paid high wages to get the war contract job done, but the farmer, his wife and his children had to work doubly hard, faced with the uncertainty of making a profit.

I am sure the distinguished Senator from Oklahoma will recall that the cattle feeders from the Middle West came here in great numbers a few months ago and warned the Government. Judge Vinson was present and sat there for hours listening to them. They said, "There is more livestock, there are more cattle on the hoof today than we have ever had in our history, but we cannot put them in our feed lots at the price we must pay for the feeder calf if we want to realize a reasonable profit." One farmer, who had only one arm, said, "I am going to do my best, and I am willing to do it, if you let me realize a fair profit." That is the very thing we want to do.

I agree with the distinguished Senator from Oregon, the farmers of this country have lost faith in the Government's promise that "we will not change the rules." The OPA does change the rules. Those engaged in the restaurant

business are subject to it now. When they had only so much meat and so much sugar they rationed among themselves their own points, and set up little reserves. In came the OPA and canceled the points and made them take an inventory, and took away from them the benefit of the reserves they had tried to build up for special occasions, so that their restaurants might live.

I think the time has finally come when we have to write into law what the provisions are to be that will guarantee the farmers a reasonable profit, because now guns are not the only important things. We heard this morning from the Senator from Maryland [Mr. TYDINGS], who has just returned from the Philippines. He knows how important the food problem is there. Others of us have just come back from Europe, and we know that food is one of the most important things in the world right now. The farmers of America are ready and willing to produce. If the Congress will write into the law a provision so that bureaucratic bungling will stop changing the rules, there is a group which will produce the food for America and relieve suffering throughout the world.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. MOORE. Mr. President, will my colleague yield?

Mr. THOMAS of Oklahoma. I am glad to yield to my colleague.

Mr. MOORE. I wish to submit one practical proposition and see what my colleague thinks about it. Yesterday I read into the RECORD a telegram from Harper County, Okla., which I assume stated the facts, that the people have more cattle than they have ever had before. That is true throughout the country, is it not?

Mr. THOMAS of Oklahoma. That is true.

Mr. MOORE. There are more cattle on the range.

Mr. THOMAS of Oklahoma. That is correct.

Mr. MOORE. My colleague knows, and every other Member of the Senate knows, that from now up to about October of this year many millions of cattle which would make good beef will be slaughtered from the grass. If they cannot be slaughtered, they have to go back to the ranches and back to the farms, and then become poor again and no longer fit for beef.

What sense is there in limiting slaughtering of cattle on the ranges in Oklahoma, and Texas, and other States where the cattle have gotten fat enough to make fairly good beef? Is not that a total waste, a serious mistake, and is it not unnecessarily denying beef to the people of the United States, and making no contribution at all to the enhancement of the quantity sent to foreign countries, or furnished the Army and Navy? Is it not just a total waste, and can it ever be replaced?

I know my colleague understands what I am talking about. Why would it not be proper, in that case, to take the limit off the slaughtering of grass cattle, and let the cattle producers slaughter what their

neighborhoods need? What harm could come of it? It might raise the price of beef temporarily, but I would rather pay a little more money and get some beef than have a low price and not be able to get any beef.

Mr. MORSE. Mr. President, will the senior Senator from Oklahoma yield so that I may ask his colleague a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. MOORE. I shall be glad to answer if I can.

Mr. MORSE. On the basis of the Senator's knowledge of the beef cattle industry, does he agree with me that when beef cattle are ready for market and the OPA restrictions prevent their marketing, and they have to be turned back on the range, many million pounds of beef are lost by shrinkage?

Mr. MOORE. I most certainly do know that to be a fact. That is exactly what happens.

Mr. MORSE. Just as much a loss as though we took the equivalent number of cattle of that weight and destroyed them?

Mr. MOORE. That is exactly true, just as in the case of lambs in the Senator's section. There are lambs fit only for slaughter in the Senator's immediate locality. When slaughtering is not allowed, people go hungry amid plenty of meat.

Mr. MORSE. If the OPA so fixed the ration point system as to lift the points to meet the exigencies of seasonal loads, much meat would be saved, because the American people would buy it, would they not?

Mr. MOORE. That is correct.

Mr. MORSE. As I said yesterday, I say now to the Senator from Oklahoma, I think we must stress over and over again the answer to one fallacious argument of the OPA in regard to inflation as it relates to meat production. The money that is spent for the purchase of necessities of life does not increase the danger of inflation. The American people can use the beef and lamb which is now wasted because of the OPA's ration-point program based upon inflexibility. Modifying the ration-point system will be to the national good, and it does not follow that it will add to any inflationary spiral.

The only thing for which I am pleading—and I shall be through with this sentence—is that, as a Congress, we should insist at this time that OPA so adjust its procedures as to take into account these regional meat problems, and the realities of livestock production.

Mr. MOORE. If my colleague will yield one moment further—

Mr. THOMAS of Oklahoma. I yield.

Mr. MOORE. I wish to say that if we continue to limit the slaughtering of fat grass cattle, and they go back to the ranges, as we come into a period with the prospect of a very poor crop, many of those cattle will perish during the coming winter, and will be a total waste. Does my colleague agree with me in that?

Mr. THOMAS of Oklahoma. My colleague has correctly stated my viewpoint in that regard.

Mr. OVERTON. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. OVERTON. The observation I am about to make is not to be considered by the distinguished Senator from Oklahoma as being in opposition to his amendment, but I wish to obtain some information as to its practical application.

As I understand, the OPA is to base the price on the cost to whoever sells, whether it be the cattle producer, in the case of cattle, or the feeder, or the processor, or the packing house. As I further understand the amendment he has offered the OPA is to determine, in the case of each person engaged in production or processing, what his costs are, and fix the price so as to assure him a profit. Is that correct? Or is the OPA to undertake to average in some way the costs in each case, the cost to the packer, the cost to the livestock producer, and the cost to the feeder?

Mr. THOMAS of Oklahoma. Mr. President, in answering the question of the Senator from Louisiana I will explain briefly what has happened to date. The OPA undertakes to analyze the costs of production and the selling costs over the entire period, let us say, of 1 year, on all the products the packers make. For example, some packers not only process hogs but they process cattle and lambs. Some packers slaughter and process only beef. Others slaughter and process only sheep, and others slaughter and process only hogs. So the present OPA policy is to consider the net income, if there be one, a packing plant derives from all its activities. The large packers engage in many activities in which the smaller packers do not engage. For example, the larger packers have many branches. Representatives of one packing concern came before the committee and testified that were it not for the profit made by the concern on its sporting goods manufacturing department, the packing plant could not be kept open. That simply shows that the concern is using the profits it makes from the manufacture and sale of sporting goods to defray the deficit incurred in its slaughtering operations.

Mr. OVERTON. I think I understand that. But this is a practical proposition. The OPA has to fix a price so as to insure above the costs a reasonable profit. The question I ask is this: How is the OPA to ascertain those costs?

Mr. THOMAS of Oklahoma. The OPA has a very elaborate questionnaire which it sends not only to packers but to everyone else engaged in business in which the OPA is interested. We have heard much complaint about such questionnaires in recent months. The OPA sends the questionnaires to all concerns in which it is interested, packers included, and when the questionnaires are filled out and returned, the OPA has a complete record of all the transactions of any concern, be it large or small.

Mr. OVERTON. Then the OPA will fix a price for a concern which has returned the questionnaire?

Mr. THOMAS of Oklahoma. The OPA has made the investigation and has fixed

the price. It is the contention of the slaughtering industry that the prices fixed have not been sufficiently high, that is, that the spread has not been sufficiently great, to enable the slaughterers and packers to buy the animals, process them, sell them, and get back their costs.

Mr. OVERTON. How long does the able Senator from Oklahoma think it will take the OPA to get a return from a questionnaire and to analyze the information thus desired from a multitude of slaughterers and packers so as to determine just what the costs are with respect to each processor?

Mr. THOMAS of Oklahoma. Mr. President, the OPA has all the information that is available. The OPA has been working on this subject for 2 or 3 years. The OPA has received voluminous reports from all federally inspected packing concerns. Of course the OPA does not have any connection with the black market operators. But the slaughtering houses, the packing houses, have already advised the OPA of every feature of their business and of every cost they incur in their operations.

Mr. President, this is the trouble: The OPA has fixed a selling price on the animal that comes from the farm or from the ranch. There is no particular complaint from the farmer that he is not receiving enough for his hog or his steer or his calf or his sheep. We do have complaints, however, from the feeders that they cannot take range cattle which are not quite ready for the market, and feed them out under the present expense of labor and of feed, and get back their money. So the evidence is conclusive to the mind of the members of our committee that the feeders, those who buy the animals from the farmers and from the ranchers and put them in the feed lot and do what they call feed them out, cannot continue to do so because they cannot make enough money in the operation.

Mr. OVERTON. I think I understand that.

Mr. THOMAS of Oklahoma. Let me make one further statement which I think will clear up the situation. The packers have a floor price which they are supposed to pay to the feeders or the farmers. Whatever that price is, they are supposed to pay it. Then they are supposed to have a ceiling above which they cannot charge for the processed commodity. Let us say they buy a steer and pay \$100 for it. They process the steer. Then the law limits them, by regulations issued, as to price for which they can sell each pound of the animal. The packers contend they are not allowed a sufficient spread between what they have to pay for the animal and what they receive for it to enable them to stay in business, and, as a result, in the city of Washington, every packing house is closed. Packing houses are closed in my State and they are closing daily throughout the United States.

Mr. OVERTON. I thoroughly understand that. Will there be a price fixed on each packer dependent on the cost of operations?

Mr. THOMAS of Oklahoma. No. The OPA groups them.

Mr. OVERTON. Is a price fixed for all packers?

Mr. THOMAS of Oklahoma. A price is fixed for all packers; that is correct.

Mr. OVERTON. Independent packers, the Big Four packers, and all other packers?

Mr. THOMAS of Oklahoma. The OPA groups them; but the ceiling is alike for all, and the subsidy is alike for all. The packers are grouped to some extent.

Mr. OVERTON. Action would be based on the information which the OPA already has?

Mr. THOMAS of Oklahoma. The OPA has all the information it can obtain. The OPA is receiving information daily, and all the time. The OPA, however, has plenty of information on which to establish the prices. The OPA has already established the prices, and has had them in existence for a long time past. The OPA has adjusted the prices three times this spring on the information it has.

Mr. OVERTON. I thank the Senator from Oklahoma.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HICKENLOOPER. In connection with the question asked by the Senator from Louisiana I will state that it is my understanding of the amendment of the Senator from Oklahoma that it is not necessary at all for OPA to undertake to fix the individual packing price for each plant. The only thing OPA would have to do under the amendment would be to fix a price which was not below the cost of production, plus the margin in the base period. It seems to me that could very easily be done. As the Senator from Oklahoma pointed out a moment ago, OPA is now fixing prices on these same plants and on the processors of other agricultural commodities by regions and zones. OPA can do it under this amendment, as I see it, just as easily, but the difference is that the amendment proposed by the Senator from Oklahoma follows the traditional and time-honored American principle that people ought to be permitted, if they can, to make a profit; that the power of government should not be used to compel them to sell their goods or services below the cost of production.

As I view the amendment of the Senator from Oklahoma, it would be a comparatively simple thing to administer it, if OPA desired to make it simple, and it would probably be as encouraging a thing in the processing field of our economy as has happened during this war. It would establish confidence on the part of people who are now desperately trying to keep in business, and who look at the example of their neighbor who has gone out of business, with fear and trembling.

Mr. OVERTON. Mr. President, will the Senator from Oklahoma further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. OVERTON. The reason I asked the question is that I apprehend that, if this price-fixing is to be done by OPA on information which it has to gather in the future, it might be months, it may be years before the OPA shall have accumulated the information, and it will require

the employment of thousands upon thousands of additional personnel to collect all the figures in order to fix the prices. Perhaps it will not be done until the war is over, and we have abolished OPA and forgotten all about it. That is the reason I want to know what would be the practical application of the Senator's amendment. I have not analyzed it, but the Senator advises me, as the Senator from Iowa just heard, that the OPA can take the information it already has and not have to make any further investigation. I think the amendment ought so to declare. Otherwise, OPA will send its agents into the field in order to obtain information, and it will take a very long time to obtain it.

Mr. THOMAS of Oklahoma. Let me assure the Senator from Louisiana that the OPA now has all the information that the brightest minds they can employ can secure, and that is all the information the packing houses have. The OPA now has the needed information. But it is getting additional information from day to day and from time to time as conditions change.

I desire to thank the distinguished Senator from Iowa [Mr. HICKENLOOPER] for his statement.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. I should like to ask a few questions in respect to what the Senator from Oklahoma and other Senators have just been discussing. As I understand the amendment proposed to be included in the pending joint resolution, is it not a fact that every processor will have to be given a profit?

Mr. THOMAS of Oklahoma. Yes, Mr. President, and, further answering the question, let me say that in the promise made by Mr. Bowles in his 10-point program he says he will consider every slaughterer in the United States, and at the end of the year if any slaughterer in the United States can show that he has suffered a loss, he will make good such loss by a direct subsidy. So the OPA is going to consider every slaughterer in the United States. It is considering every slaughterer now.

Mr. ELLENDER. The Senator states that he intends to give to every processor a profit. Suppose that after an examination of the records of, let us say, five processors who produce the same kind of goods the cost of producing one article shall be found to be, let us say \$1 for one processor; for another 96 cents; for another 92 cents; for another 90 cents; and for still another 89 cents. How would the ceiling prices on the article be fixed.

Mr. THOMAS of Oklahoma. They would be fixed as they have been fixed in the past. At the present time the packing houses slaughter meat animals at different prices. In the cities in this country, under a free economy, one butcher shop may sell a cut of meat at one price, and another butcher shop, across the street, may sell the same cut of meat at a different price. That is not unusual.

Mr. ELLENDER. Under the terms of the Senator's amendment, if an article cost a processor \$1, and a 5-percent profit were allowed, that would mean that such

processor could sell at \$1.05; and the processor whose cost was 89 cents could sell for almost 94 cents. Is that true?

Mr. THOMAS of Oklahoma. The amendment seeks to guarantee the packing industry, the feeders of cattle, and the slaughterers of cattle, only sufficient money to enable them to pay the costs of operation and a reasonable profit in addition. Does the Senator take exception to the statement of that principle? Should they not have that much?

Mr. ELLENDER. I believe that a profit ought to be allowed to processors. The method of reaching that goal should be fixed according to prevailing and tried methods. It strikes me very forcibly that if the amendment of the Senator is adopted, it will simply mean that the price or ceiling fixed for the high-cost producer will become the ceiling price for the low-cost producer; and the man who produces an article at a cost of 89 cents as I pointed out a while ago, will be able to sell it for \$1.05, instead of almost 94 cents and thereby increase his profits tremendously, all of which would have to be borne by John Q. The only alternative would be to permit the establishment of different prices on the same article and thereby make ceiling prices ineffective.

Mr. THOMAS of Oklahoma. Let me give an illustration. I do not desire to be personal. The Senator from Louisiana has some of the finest land out-of-doors. His particular land is adapted to the production of potatoes. The Senator from Louisiana can produce potatoes on his Louisiana land probably at the minimum cost. Yet, in my State, which produces some potatoes, we cannot produce as many bushels per acre as can the Senator from Louisiana. In my State the taxes may be higher. Labor costs may be higher. The soil may not be so good. The yield per acre may not be so high. So in my State we could not compete with the low-cost production of potatoes on the Senator's farm in Louisiana. Yet there is no occasion for a different ceiling. The farmers in my State would not make as much money as would the Senator from Louisiana. I am sure he would not complain about that. That is an illustration.

Mr. ELLENDER. I understand; but suppose a ceiling were fixed so as to give the Oklahoma farmer a fair profit. Since I can produce potatoes on my farm more cheaply than can the Oklahoma farmer my profits would be far in excess of his profits. Would that not be true?

Mr. THOMAS of Oklahoma. That is exactly what has happened.

Mr. ELLENDER. Cannot the Senator see that if his amendment were adopted, and the situation which I have been discussing should occur, a ceiling price would be fixed on a commodity so as to give to the low-cost producer a price equal to the high-cost producer and thereby give opportunity for unconscionable profits. The only alternative as I have previously pointed out would be to have many prices in one locality on the same products.

Mr. THOMAS of Oklahoma. Certainly it would be manifestly unfair to use the costs of production of potatoes in Louisiana as a basis for fixing the ceiling

price of potatoes in my State and in other States where the land, perhaps, is not quite so good, where labor expenses are higher, and perhaps taxes are higher.

Mr. ELLENDER. As I understand, under the Senator's amendment the OPA would use my costs in fixing a certain price. Then it would use the Senator's costs in Oklahoma as a basis for fixing a price for potatoes in Oklahoma. It would take the costs in Idaho as a basis for fixing the price of Idaho potatoes. That would mean that a certain price would be fixed on the potatoes which I produce; another price on the potatoes produced in the Senator's State; and still another price on potatoes produced in Idaho or in other States. The system of price ceilings would simply be shot to pieces and unworkable. I give this illustration because the Senator used potatoes as an example. As I pointed out the Senator's amendment does not affect prices of farm products.

Mr. THOMAS of Oklahoma. That is exactly the policy now being followed by OPA. I hold in my hand the regulations affecting the poultry industry in the United States. Under those regulations there are 51,840 possible prices on poultry products in the United States. Let me explain how that comes about. For example, on one page of the rules and regulations we find a list. No. 1 on the list is broilers, fryers, and roasters. There is a price ceiling on them.

Mr. ELLENDER. Under those ceiling prices everyone gets the same price.

Mr. THOMAS of Oklahoma. In that area.

Mr. ELLENDER. That is correct.

Mr. THOMAS of Oklahoma. There are a great number of areas.

Mr. ELLENDER. That is true.

Mr. THOMAS of Oklahoma. They get the same price in that area. Undoubtedly all the potato growers in the area surrounding the Senator's farm in Louisiana have the same kind of ground, the same labor costs, and the same taxes. Therefore, presumably they can all produce at about the same costs of production. So the potato growers in that section can be grouped, and prices can be fixed, just as prices are fixed on poultry.

Mr. ELLENDER. On my farm this year my average was about 225 bushels to the acre, whereas some of my neighbors raised about 110 bushels to the acre. The Senator can imagine how much more profit I would have made on my potato crop if the basis of ceiling prices had been made on the cost of production of 110 bushels an acre instead of 225 bushels. I would have probably increased my profits by 30 or 40 percent.

The other alternative would be that I would have to sell my potatoes to the distributor at a lower price than that received by the high-cost producer. The distributor would doubtless sell on a basis of his highest cost, as it would be impossible to differentiate the potatoes produced by me and those of my neighbor.

Mr. THOMAS of Oklahoma. Let me complete this reference before I yield further. I was answering the question of the Senator from Louisiana.

I wish to place before the Senate the plan of OPA in handling poultry prices.

As I explained a moment ago, a price is established for each section of the United States. The OPA can divide the country into as many sections as it desires. In a certain area a certain price is placed on broilers, fryers, and roasters.

The second item in the list is light capons. A different ceiling price is fixed on light capons.

The third item in the list is heavy capons, which take a different ceiling price.

The fourth item comes under the heading of "Fowl," which includes all groups of poultry.

The fifth item is stags and old roosters.

The sixth item on the list is geese.

The seventh item is young turkeys.

The eighth item is old turkeys.

In that way poultry products are broken down into groups. But that is not all, Mr. President. The United States is divided into areas, and separate ceiling prices are fixed on each of the groups of birds—chickens, geese, ducks, turkeys, and so forth.

The next division is processed poultry. The items which I have just read are in the group of live poultry. Different ceiling prices are fixed on the various subdivisions under the head of live poultry. On processed poultry different ceiling prices are fixed on the same products, namely, broilers, fryers, and roasters; light capons, heavy capons, fowl, stags and old roosters, geese, young turkeys, and so forth. In this category young turkeys are broken down into three classifications, namely, light, medium, and heavy. The same applies to old turkeys. There are two classes of poultry—first, live poultry; and second, dressed poultry.

The third category includes ceiling prices on kosher processed poultry. There are different ceiling prices on the various classifications of kosher processed poultry. The price ceilings on kosher processed poultry are different from those on live poultry and processed poultry.

Then the United States is divided into areas, and a different price can be fixed on each of these grades in the various areas of the United States, to such extent that it is possible to have more than 51,000 ceiling prices on poultry.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McMAHON in the chair). Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. OVERTON. Since I asked the Senator from Oklahoma for an explanation of his amendment I have seen a printed copy of it. I presume this is the one which he has offered. Let me read it:

Provided further, That on and after the date of the enactment of this proviso, it shall be unlawful to establish or maintain against any processor a maximum price for any major product (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) resulting from the processing of any agricultural commodity, or maximum prices for the products of any species of livestock (such as cattle, hogs, or sheep) (the products of each species of livestock to be taken as a group in establishing or maintaining such maximum prices) which does or do not equal

all costs and expenses (including all overhead, administrative, and selling expenses allowed as expense deductions in computing Federal income and excess-profits tax liability) incurred in the acquisition of the commodity or species of livestock and in the production and distribution of such product or products plus a reasonable profit thereon, not less than the profit earned thereon by such processor during a representative base period.

Therefore, every one of them would have to be taken up individually.

Mr. ELLENDER. That is correct.

Mr. OVERTON. Under this amendment, as I interpret it, their cost of production must be determined, and then a reasonable profit added to it, in the case of each processor. That is what the OPA would have to do. It seems to me that would be an interminable job.

Mr. THOMAS of Oklahoma. Mr. President, does the Senator object to that policy?

Mr. OVERTON. I certainly do object to it, because administratively it is bad. Please understand that I do not object to having processors and producers make profits, but I do object to foisting upon the OPA what I think, after reading the Senator's amendment, would be administratively an utter impossibility.

Mr. THOMAS of Oklahoma. Mr. President—

Mr. ELLENDER. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I will yield in a moment. First, let me say that recently when the producers of milk were in distress, they made application to the OPA for adjustment of the ceiling prices. The OPA said, "It is impossible. We cannot apply a subsidy to the milk industry. It is impossible of operation." But after the clamor became so intense, the OPA divided the country into areas and it provided a milk subsidy which is now working well. If it can be done for milk and for poultry, why can it not be done for the meat industry and the other industries of the country which deal with farm commodities?

Mr. OVERTON. Mr. President, that is just the point. It is not necessary for the OPA to examine each producer's books to ascertain the cost of production, in order to grant a subsidy. The Senator's amendment, however, does not call for the ascertainment of an average price, to be determined by records which are now in existence and before the OPA; but the amendment would require the OPA to ascertain the cost of production of each and every processor and to add to each processor's cost a reasonable profit, to be determined by the OPA, for such individual processor.

Mr. THOMAS of Oklahoma. Mr. President, take, for example, the production of an airplane which costs \$1,000,000 or \$5,000,000, as the case may be. There are in that airplane not only thousands of separate items, but there are in it, involved in its construction, literally tens of thousands and even hundreds of thousands of separate items, all of which are required to make up a modern airplane. Many of them may be small items, such as rivets, but they are there. Does the Senator presume to tell the Senate that he does not believe that those

who make the rivets and other parts for airplanes do not deserve a profit, and, second, that they are not getting a profit?

Mr. OVERTON. I did not say that.

Mr. THOMAS of Oklahoma. Certainly the Senator did not, and no one could believe it if he should say it. No one could honestly believe, in my opinion, that we could expect the manufacturers of tanks, planes, trucks, rifles, cannon, and the thousands of other items needed for the war to manufacture them at a loss. They are not producing them at a loss—at least, I have not heard of any. Every camp built in the country, except a very few, which were built on the basis of advertisements for bids and the awarding of contracts, has been built on the basis of cost plus a fixed fee.

Mr. OVERTON. But that is a contractual relationship between the Government and a particular manufacturer. Furthermore, the fact is ascertained after the event, so that long after the product has been manufactured the books are examined and a determination is made whether an excessive profit has been made.

But that is not this amendment. Under this amendment the OPA must decide in time, in order for it to be of value to the packer and the feeder, just what his price is going to be on his particular product. In order to do that the OPA would have to go through a long, detailed examination of the individual's books, to determine what his operating costs are.

Mr. THOMAS of Oklahoma. The OPA has that information now; it is now available. Full information is available.

Mr. OVERTON. Mr. President, if the Senator from Oklahoma will pardon me, let me say that, of course, I have not thought it through, but I should like to say that if his amendment would provide for the ascertainment of the average costs, according to the records now in the hands of the OPA, it seems to me that would be a practical proposition. It might not be the right thing, but it would be a practical proposition.

Mr. THOMAS of Oklahoma. Would the Senator from Louisiana suggest that remedy for the manufacturers of tanks, trucks, planes, guns, ammunition, carriages, uniforms, and shoes for our soldiers, when they have to have them, and have to have them immediately? Of course the Senator would not make that suggestion, namely, that the OPA ascertain the average price at which all manufacturers could make rifles, the average price at which all manufacturers could make shoes, or the average price at which all manufacturers could make shells. Of course that is not done. We must have those articles; we must have them produced. Otherwise such steps would not be necessary.

Mr. President, the amendment not only applies to meat, but it applies to cotton goods. The Senator from Louisiana comes from a great cotton-producing State. Does he not desire that Louisiana farmers who raise cotton shall have the parity price reflected to them, when they sell their cotton, in the price of the goods which the spinners make and sell to the trade?

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. Will the Senator point out any paragraph or sentence in the pending amendment which will in any wise help the farmer? All I see written in the amendment is a provision to help the processors. If I understand the amendment, it means that practically everything the farmer will buy will go up in price, but as to what he produces he is not afforded protection. Am I right or am I wrong? I would like to have a specific answer to my question from the Senator.

Mr. THOMAS of Oklahoma. Mr. President, the view which the Senator from Louisiana has expressed is not new; he made a similar statement in the committee, time after time. As each witness came before the committee, the Senator repeated that statement. I know that is his position. I do not take exception to his right to take that position, but I think he is wrong. Everyone else has been protected under the law. Mr. President, what industry is there in this country that is not protected by the law? Take the bankers, for example. What laws have they to protect them? They have every law they can think of. Consider the railroads. What laws have they to protect them? They have every law they can think of, and they even have a special commission to determine their rates. Consider the electric power companies. What laws do they have to protect them? There is in every State a commission before which the electric generating companies can go, produce their cost sheets, and show what it costs them to manufacture electricity. As a result of such showings, the public regulatory bodies in the several States prescribe the rates which such companies can charge for their electricity when it is sold to consumers. They receive the benefit of that protection; they are guaranteed that. There is not an organized industry in America that does not have all the law it needs to protect its prices.

But now we are considering the farmers of America—formerly 32,000,000 of them, although now, because of conditions, only 25,000,000 are left. In the past few years 7,000,000 of our citizens have left the farms. Why has that happened? It has happened because they have not been able to make a living on the farms. In my section of the country, the center of the Wheat Belt, the bread basket of America, a large percentage of the farm population has gone to other States. A while ago my colleague stated that in northern Oklahoma—one gigantic wheat field; in county after county in my State practically every acre is planted to wheat—there is, this year, the best wheat crop which has ever been had in all its history. The wheat crop is now ready for the harvest, but because the farm boys have been taken for the armed forces and because other men have been taken for work in defense plants, 25 percent of the population of those counties has left. In order to harvest the wheat crop, sufficient workers must be brought back into those counties, or the crop will not be harvested.

What is the situation there? In my section of the country there are plenty of cattle and plenty of slaughterhouses, but the slaughterhouses cannot kill the cattle and the butcher shops and restaurants cannot get meat from the meat packers. That situation exists both in my section of the country and in the region in the vicinity of Washington, the Capital of the Nation. The small packers cannot kill the cattle and hogs. Therefore, the restaurants are without meat; the hotels are without meat; the farmers are without meat. They cannot get it. In order to feed the harvest hands who will be necessary if the crops are to be harvested, the farmers must have some meat. If they do not have meat they will get no harvest hands.

So, Mr. President, I join in the alarm expressed by my colleague, the junior Senator from Oklahoma [Mr. Moore] who has told the Senate that things are in bad shape in the Wheat Belt in our State.

It will be only a short time before the harvesting in this Wheat Belt will move north to Kansas, and from Kansas it will move into Nebraska. From Nebraska it will move into Iowa, and north into North Dakota and South Dakota. If the same condition prevails in those States which prevails at the present time in Oklahoma, how will the gigantic wheat crop be harvested? If it is not harvested what is to be the effect on the supply of wheat? Last year the wheat was piled up in the fields and much of it deteriorated in quality if it did not spoil altogether. The same thing was true with regard to corn.

Mr. President, I believe I have covered the subject sufficiently.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. If the amendment were adopted, I am sure the Senator will admit that it would be necessary for the OPA to investigate the cost of every article produced by every processor.

Mr. THOMAS of Oklahoma. The OPA has already done so. It is doing it every day. It has thousands of men employed for the specific purpose of making such investigations, and the men are being paid as much as \$8,000 and \$10,000 a year for their services.

Mr. ELLENDER. Under the Senator's amendment the books of every processor will have to be examined and I—

Mr. THOMAS of Oklahoma. Does the Senator object to that?

Mr. ELLENDER. I may not object; but it would require perhaps 5 or 6 years in which to accomplish such a task, and only God knows how many employees it would require in order to perform the work.

Mr. THOMAS of Oklahoma. Only where a complaint has been registered against the OPA has there been any trouble. At the present time the OPA has in effect ceiling prices on practically every commodity and article in the United States. Have complaints been registered about everything? There have been no complaints from the farmers with regard to the price they receive for hogs, steers, or sheep.

Mr. ELLENDER. I grant that; but under the amendment of the Senator, as I understand it, the OPA would have to examine the books of every processor, and then give him a profit on every product he processes, or else be in violation of the law. The amendment provides that after its enactment, "It shall be unlawful to establish or maintain against any processor a maximum price for any major product—that does not give him a profit," and so forth. Until an examination has been made by the OPA as to costs and allowing a profit, at what prices will processors dispose of their commodities? What will be the gage or the yardstick to be adopted in fixing prices, pending the determination of costs and a fair profit?

Mr. THOMAS of Oklahoma. How do they dispose of their commodities at the present time? In my State thousands upon thousands of range cattle are now on the ranges. They cannot be sold. The cattle are not ready for the big markets. They will not make AA, A, or even B meat because they are not fat enough. They are range cattle. People in the country will eat them for the want of something better, but they are not salable on the big markets, and the various packing companies will not buy them.

Mr. ELLENDER. The amendment would not affect that situation at all, as farmers are not protected under the amendment.

Mr. THOMAS of Oklahoma. It would help the farmers.

Mr. ELLENDER. No; on the contrary, it would put a greater burden upon them. Wherein would the amendment in any way help the farmer? I wish the Senator would answer that question specifically.

Mr. THOMAS of Oklahoma. If the amendment becomes law and the OPA abides by the law—those are two contingencies—the farmer will be guaranteed that whatever he produces will return to him a profit. A ceiling will be established for the farmer and a floor for the packer.

Mr. ELLENDER. The proposal would establish profits for all processors only, and the farmer is not in any way protected. If anything, as I pointed out a while ago, he will be further burdened.

Mr. THOMAS of Oklahoma. Many pages of three columns each, of fine print, have been required to outline the rules and regulations respecting poultry alone. We cannot now go into much of that data. It would be as big as a dictionary and no doubt larger. I believe that at the present time the OPA has 16 volumes of rules and regulations which are approximately the size of the sheet which I now exhibit to the Senate. If placed on one another the sheets would make a pile approximately 30 inches high. That many rules and regulations have been required in order to establish hundreds of thousands of ceilings which are now in existence with respect to various commodities throughout the country. If this measure becomes law it will guide the OPA in its functions, providing that agency wants to be fair to the farmer.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TAFT. I suggest to the Senator from Louisiana, if he thinks that the amendment will require a too-detailed examination of every processor, that in respect to many commodities today the price has been fixed so low that the OPA has had to make individual adjustments. The OPA has made a regular practice of encouraging individuals to come to it, present their individual costs, and receive a price different from that which the industry in general has been receiving.

When I talked recently to one of the high officials of the OPA concerning the new pricing of products such as automobiles, and refrigerators, which have not yet been put into production, it was made clear that the OPA is expecting to take a price such as a 1942 price, and fix it so low that it will be necessary to consider thousands of individual applications in order to fix a proper price for the particular manufacturer involved. So the claim that the pending proposal would be too complicated seems to me to be wholly unjustified. Unfortunately, the OPA is engaged in thousands of examinations of the kind under consideration, but I do not believe that it lies in its mind to contend that this particular amendment cannot be put into effect.

Mr. THOMAS of Oklahoma. I thank the Senator for his statement.

Will the Senator from Ohio give an estimate of the number of contracts which the Government has entered into for the production of war supplies?

Mr. TAFT. I believe that I have been told that it is in the neighborhood of 3,000,000. That was some time ago, however. I think it was more than a year ago, or when we were considering the Renegotiation Act.

Mr. THOMAS of Oklahoma. Mr. President, the present law provides that the Government may make an investigation into each of the millions of contracts which have been entered into for the production of war supplies. If the Government does its duty it must make the examination in order to ascertain whether or not the contractor has made an unreasonable profit. So, the argument which the Senator from Louisiana has made is not tenable.

Mr. DONNELL and Mr. ELLENDER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield, and if so, to whom?

Mr. THOMAS of Oklahoma. I yield first to the Senator from Missouri.

Mr. DONNELL. I should like first to state that I am very much in sympathy with the purposes of the amendment. I am not quite clear, however, with respect to certain points raised by the two Senators from Louisiana, and I should like to ask the Senator from Oklahoma a question. Is it the intention of the Senator from Oklahoma, by his amendment, to have different ceiling prices for the same commodity in the same area? Take, for example, the city of St. Louis.

Mr. THOMAS of Oklahoma. No; it is not the intention.

Mr. DONNELL. Allow me to illustrate my difficulty. I shall appreciate the courtesy of the Senator from Oklahoma if he will give me his views.

Suppose there are in St. Louis three packing companies which have been devoting themselves entirely to the processing of cattle. There is A packing company, which made on its sales of \$5,000,000 a total of \$50,000; there is B packing company which, on the basis of the same volume of sales, made \$100,000; and there is also C packing company which, on the same basis of sales, made a profit of \$150,000. As I understand the amendment, it would be necessary in that case, as against C packing company, which made the largest profits, not to impose a ceiling price less than that which would equal the combination of the costs as defined in the amendment plus the profits of that particular company. As against C packing company the maximum price which would be possible would be much higher than in the case of A company. Is that to be the situation under the amendment?

Mr. THOMAS of Oklahoma. No doubt that is the fact. The packing plants which have been operated in the city of St. Louis, for example, have not all made the same degree of profits. Some companies are more efficient than others, and therefore they make more money. There is no doubt about that. But if one company makes more money than another company, income taxes or renegotiation will offset the extra profit.

Mr. DONNELL. But, as I see it, under this amendment while as to C company a certain ceiling price would be possible, as to B company a smaller ceiling price must be fixed, and against the third company even a smaller ceiling price.

As I stated at the outset, I am in sympathy with the purpose of the amendment, but it strikes me that it is subject to the vice which has been suggested by both Senators from Louisiana, namely, that it undertakes to go into each separate company and find out its costs. As I see it—probably I am wrong, and, if so, I should like to be corrected—the theory which underlies the amendment and which it is proposed to carry out, though I fear it will not be done for the reason indicated, is that it shall be unlawful to prescribe a maximum price for the products of any species of livestock, as, for illustration, cattle, in a given area which does not equal the average cost of such products plus the average profit prevailing in the industry. Therefore, it occurs to me that this amendment would be much clearer and much more accurate and probably be subject to much less objection, if framed along the lines I have indicated, namely, to make it a matter of prescription that the maximum price for all products of any species in a particular area shall be the average cost of the product plus the average profit. Otherwise, as I see it, the amendment very clearly produces a separate ceiling price for each and every individual processor. Am I not correct?

Mr. THOMAS of Oklahoma. Let me say to the Senator from Missouri that if the Congress should follow his formula and fix the average price, that would mean that the average price would be

the mean of the cost of the little packer, the inefficient packer, the large packer, and the efficient packer, and all those in between. The average price would be halfway, so that if we were to allow them the average price, those below the average price would soon be in bankruptcy because they could not live. Below the average would be below the price at which they could live, and they would have to quit, and that is what they are now doing.

Mr. DONNELL. As I see the amendment, while it is not what the Senator intends that it should do, it permits the possibility in the illustration I gave of separate ceiling prices for the same commodity in the same area. That I do not think is what the Senator intends. To my mind, however, there is real merit in the contention which has been made by both Senators from Louisiana. I say again I am in sympathy with the purpose of the amendment, and I should like to see it so stated as to relieve it of the objections they have made.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Iowa?

Mr. THOMAS of Oklahoma. I yield.

Mr. HICKENLOOPER. With reference to the points raised by the Senator from Missouri, I think that the argument on the question of individual prices for each processor, while sounding plausible as an argument against the amendment on the part of those who originally advanced it—and I am not referring to the distinguished Senators who have spoken because I have heard before in other places exactly the same argument against this amendment—is in the nature of a red herring drawn across the trail in an effort to defeat this amendment.

The fact is that the OPA could today, I believe, establish individual ceilings, and they are doing it in the case of individual adjustments all over the country, affecting various products. They have that power today. The power to do that is not, as I see it, extended by the Senator's amendment any more than it exists at this time.

The place where I believe we are failing to properly analyse this amendment, in the light of these criticisms of individual business price fixing, is this, that it is not necessary for the OPA under the Senator's amendment to fix individual ceilings on a business. The OPA can fix a ceiling that is general in an area; if they care to let an efficient fellow make a little more money. That is the American system; that is what built our industry and business. If one man can make more money doing the same thing than another perhaps he becomes successful.

I have become rather disturbed about the theories which have been announced in the last few months in committee meetings by bureaucrats and others that they must minutely and intimately regulate the profits of the American people to the point where, I believe, some of them think it is a sin and a moral crime for an individual to make a profit. If an area has for instance three packing plants, each selling the same volume, but one making \$50,000, another \$100,-

000, and another \$150,000, it means that two of them, at least in that proportion, are more efficient, better businessmen, and are taking advantage of the American system more than the third man is. I see no reason why the price should not be fixed so that those of various efficiencies can operate and use their genius in wartime just as well as in peacetime.

The point is that the OPA was set up to keep prices from running away into a wildly extravagant spiral upward and OPA can do it under this amendment just as well as under the law that now exists, but this will give to businessmen full and real assurance that their Government is not going to destroy their economy by compelling them to sell at a loss, as countless businesses are doing today in this country. I have files full of evidence, letters from business people who are facing bankruptcy today because they are small operators and cannot operate with the efficiency and economy of the large operators and have not equal facilities for distribution. We must never forget that it is the little fellow in business today, the small operator, who keeps the American economy free, and if the time ever comes when through price-control policies, we squeeze the little fellow out and concentrate our economy into the hands of a few large industries or businesses, then we will be heading down a road which most of us, based upon our experience in the past at least, will not recognize.

Mr. THOMAS of Oklahoma. I thank the Senator from Iowa. Let me answer further the inquiry submitted by the Senator from Missouri [Mr. DONNELL]. I am not afraid of reports of people making money. I do not think the Senate should be afraid of reports that people are making money. We face a \$300,000,000,000 war debt. At 2½-percent interest it will take \$7,500,000,000 to meet the interest bill on \$300,000,000,000 of national indebtedness. That is item No. 1.

The people of this country must work and make money. If they do not, they cannot pay the taxes. They must work and make money sufficient to pay their share of all forms of taxation, not only Federal but State, county, municipal, district, and so forth.

Now, Mr. President, one item stares the people in the face, namely a seven-and-a-half-billion dollar bill for interest. That is only a starter. We are going to have to maintain a large Army and a large Navy and a large Air Corps after the war is over. Practically two or three million men must be retained. The maintenance and upkeep of such an Army is going to impose a gigantic burden. It will cost at least \$5,000,000,000 a year for the first few years at least. Add the \$7,500,000,000 interest charge and the \$5,000,000,000 for the support of the Military Establishment, and we find an expenditure of \$12,500,000,000 for those two items. We must raise \$12,500,000,000 in taxes in order to meet the interest on the national debt and support the Army and the Navy and the Air Force. But that is not all.

When this war is over there will have been 15,000,000 men and women who have served in the armed forces. Relatives of those who have been killed are

now getting payments under insurance policies totaling \$10,000 for each policy. Those who come back maimed must be hospitalized until they are cured, if they can be cured. That will constitute an enormous expense. We must rehabilitate these boys when they come back; that will be an enormous expense. We must make them loans when they come back; that will be another enormous expense. We must educate the youngsters who want to go to school when they return, and that will be another enormous expense. So hospitalization, rehabilitation, training, and educating 15,000,000 soldiers will run into billions of dollars each year. Add that to the \$12,500,000,000. It cannot be said that the sum will be less than \$15,000,000,000 in toto, just as the result of the war.

Mr. President, that is not all. We had a war 25 years ago, and we are now paying on the indebtedness caused by that war. Not all the millions of the boys engaged in that war receive pensions, but hundreds of thousands of them do. Others are being rehabilitated, and as the boys of World War I grow older, they will go on the pension rolls, and that expense must be added to the fifteen billion.

Then, Mr. President, we have not taken into account the running expenses of the Government. It is my prophecy that those who remain in the Senate for some time to come—and I hope many of my colleagues will—will in the near future see the time when we will not be able to reduce the annual budget below \$25,000,000,000 a year, to be met by Federal taxes. That does not include county taxes, State taxes, city taxes, or district taxes. Those are all in addition to the \$25,000,000,000.

If people are not allowed to make money, how are we to meet these bills? I am not afraid of the people making a little money. I hope they will, and the sooner they are permitted to make a little money, the sooner they can begin to reduce the national debt.

Mr. President, I have taken more time than I had intended to take, and I surrender the floor.

Mr. BUCK. Mr. President, I am personally convinced that the life of the Office of Price Administration must be continued, but that there should be certain modifications in the law. Not only is it necessary, as a wartime agency, for the duration of our present war with Japan, but it is necessary for a successful reconversion program. I quote the minority views accompanying Senate Joint Resolution No. 30, of which I am a signer:

We do not oppose, in fact we recommend, that the program of price control be temporarily continued, but in the interests of a developing American economy, encouragement for the employment of more labor, the expansion of production and business, and a high national income in this country, we believe certain corrections in the law are necessary.

In order to employ the millions of men who are and will be discharged from the armed services in the coming months, jobs must be available at salaries which can meet the prices of the necessities of livelihood. These jobs cannot be created

by government, for government itself creates no wealth. These jobs must be created by private business, large and small.

But what is necessary to assure such jobs? First of all, a demand for the products to be produced. That demand is already showing itself in every line, so I doubt if that will be a worry, unless it is not filled. Second, the products must sell at prices which will meet the costs of production, including wages, and give a reasonable return to the owners.

The Office of Price Administration must play an important role in this program. But I am saying now that unless a more intelligent attitude is adopted by the OPA, harm and destruction will be brought upon our postwar business picture.

It is true that retail prices should not be allowed to soar during a time when money is cheap and plentiful to many, based purely on what a seller may get for his product. But neither must those prices be set by Government or anyone else at a level whereby a reasonable return is not realized to the management. Only when such a return is assured will business expand, take risks on the future, and employ to the fullest extent. And that reasonable return cannot be figured on the cost of production of 3 or 4 years ago. It must be figured on the basis of costs today.

I quote from the OPA press release of May 11, 1945:

If a reconverted industry requests us to re-examine its prices, we will start with its cost prices in the last period of normal production, usually 1941 or some part of it. We will take those costs and adjust them upward for two factors: (1) Lawful increases in materials and parts prices, and (2) lawful increases up to this time in basic wage rate schedules of factory workers. To the 1941 costs so adjusted, we will add in place of the 1941 profit margins the more nearly representative peacetime margin received in 1936-1939.

Our belief is that there will be few instances in which increases in retail prices above 1942 levels will be necessary, and that in such instances the size of the increases will be relatively small.

I cannot conceive of anyone ignoring the actual facts as they exist today. To every businessman, large and small, labor costs have risen since 1942, and if the wages and salaries of labor are to be maintained near their present levels, it is only logical that prices must be adjusted accordingly. But in addition to that, replacement of outworn equipment, deteriorated by hard wartime use, is necessary in a great majority of plants, and must be allowed for and met. This factor will be much greater than the ordinary replacement which was necessary on a year to year basis during peacetime years. Efficient production cannot be expected with broken-down equipment.

It is, therefore, my conviction that, if the policy announced by the OPA for the reconversion period is not altered by a more intelligent understanding and approach than heretofore announced, only chaos will result.

Upon that basis I am inclined to favor the Taft and Thomas amendments proposed to the existing act, not as a means

of curtailing the activities of the OPA, but as a means of defining the intent of Congress as to reconversion policies. I believe that the policy expressed in these two amendments is sound from a business point of view in that it will allow a sound price structure, which will in turn insure maximum employment for all our people.

One word concerning the 1-year extension of the Price Control and Stabilization Act. It seems to me necessary that the controls existing under these acts, intelligently administered, shall continue until the supply of consumers' goods approaches near to the demand for them. During the war years we have departed far from the natural law of supply and demand. In order to get back under that rule and yet avoid catastrophe, certain guide posts must be set up in that direction. If properly administered, the existing acts may serve as those guide posts.

Do not misunderstand me on this point. I will be the first one to demand the abolition of these controls when we reach a point when our established economic rules may again take over at a minimum of hardship to the people and the country. But I do believe that 1 year's time will be needed for this process, and in some fields even more time will be necessary. Congress, however, may exert its authority at any time prior to that date in curbing or altering the law.

Many believe that shorter extension of time would force the OPA to be more responsive to congressional direction. I cannot subscribe to that view. Rather I would see Congress write definite restrictions and statements of policy in the act itself, and then stand guard to change or alter the act from time to time as it seems necessary. That to me is sound legislative policy.

If my reasoning is correct, the extension of the present acts, with the suggested modifications, will provide jobs and purchasing power for returning war veterans and all other workers, and start us down the road to an era of stable postwar economy.

Mr. TAFT. Mr. President, I rise on behalf of the Thomas amendment and an amendment which I myself shall offer after the Thomas amendment shall have been voted on. I may say that the two amendments overlap to a certain extent, and if the Thomas amendment shall be agreed to, I shall then modify my amendment so that it will apply only to non-agricultural products, so that there will be no conflict in the principle of dealing with agricultural products.

I may say, however, that, roughly speaking, the two amendments seek the same objective. They seek to make sure that a maximum price shall not be so fixed that a processor or manufacturer will be unable to recover his costs plus a reasonable profit, if he is a typical member of the industry.

Mr. President, I have supported the OPA for the last 4 years. I assisted in drafting the original Price Control Act of 1942. I worked with the then Senator from Michigan, Mr. Brown, in securing the passage of the bill and the enactment of the law by the Congress.

The act, however, did not contemplate the policy which is now in effect, and a reading of it will show very clearly that it did not. Mr. Henderson's testimony before the committee at the time of the original hearings, expressing his intention as to price control, was entirely different from what has actually occurred.

The original Price Control Act of 1942 contemplated a reasonable and limited control of a certain number of basic products. Mr. Henderson so intended. It was not intended to extend it to most of the luxury items and to all the minor products to which it has been extended. At that time I do not think we had the slightest idea it was to be used to control prices on goods sold to the Army and the Navy, as since has been done. The Army and Navy were supposed to look after that matter themselves.

But shortly after the act was passed Mr. Henderson changed his mind as to the kind of price control we ought to have. He went to Canada, which had a price freeze, and he came back with the idea that he must issue a general national price regulation fixing the prices, and he did so in the spring of 1942. It was not very effective, and in the fall of 1942 the President demanded additional powers, and the stabilization act was passed. In the stabilization act Congress gave countenance to the new theory which was not contained in the original act, that the President, if he so desired, might adopt the freeze policy. Even under that act, however, prompt action was not taken, and it may be said that the present policy dates from May 1, 1943, 2 years ago, when finally the general freeze-price policy was put into effect, with a roll-back of meat prices and various other prices, and the adoption of a subsidy program. So, the question we have to consider now is the wisdom of the policy which has been pursued for the past 2 years, and most of the comparisons I make in the price and wage fields cover this period of 2 years.

During that period the OPA claims to have been universally successful in preventing inflation, because the cost of living index in those 2 years has gone up only 1½ percent. The cost of food, I think, has gone up somewhat more than that, possibly 3 or 4 percent, but in general the cost of living index has been held to 1½ or 2 percent. That has been questioned somewhat because a good many products which are on the cost of living index apparently are not available, and people are paying more in the black market for meat and are buying higher priced cotton goods because they are unable to get those which appear in the cost of living index. However, so far as holding the retail price is concerned the OPA has done a very good job.

Unfortunately, however, I think it is still true that you cannot freeze retail prices because the OPA has not been able to freeze costs and other prices. The Stabilization Act of 1942 extended the power to wages, for instance, and whereas prices have gone up only 1½ percent in the cost of living index, the wages in this country have gone up more than 10 percent in the 2 years. Furthermore, the price of agricultural products at

wholesale has gone up 10 percent. That is fixed, roughly speaking, by the parity price, and the parity price on wheat, for instance, in the 2 years, has gone up about 9 percent. The parity price of corn has gone up 10 percent. The parity price of cotton has gone up 90 percent. The parity price of burley tobacco has gone up about 12 percent. The parity price of hogs has gone up about 10 percent, of beef cattle 9 percent, of wool 10 percent. Those are the parity prices which have moved up automatically, and therefore they have automatically moved up the maximum price at wholesale on those products.

In addition to that, in the whole field of wood, wood pulp and lumber prices have gone up a good deal more than 10 percent, because it has simply been impossible to get men to go into the woods and bring out that material at anything like the wages they were originally paid, so they have had to be paid more.

Consequently what has happened in this freeze is that while the cost of living has been held almost stable, all the costs of manufacture have gone up 10 or 12 percent during that period.

The way the OPA has held the price level at the cost of living index level is simply by making the manufacturers and the distributors absorb the difference in cost. To some extent they have been able to do so. In fact, some of them have been able to do so. In the meat field they were wholly unable to do so. I might add that the price would have gone up another 1½ or 2 percent if we had not undertaken the subsidy policy, and if we were not now spending \$1,500,000,000 of the taxpayers' money to keep prices from going up another 1½ percent. Personally I think it would have been better if the price had gone up 1½ percent, and thus had saved \$1,500,000,000 a year to the American taxpayers.

In any event, with that subsidy the ordinary manufacturer and processor is faced with the fact that he must sell his goods at the same price at which he originally had to sell them, though his costs are at least 10 percent higher. In individual cases the costs are more, and in some cases, of course, the costs are less. In some cases industry has been able to make up the difference by an increased volume of production. In other cases industry cannot make up the difference by an increased volume. In certain cases, such, for example, as that of the large packers, where a number of different products are manufactured, the loss on one commodity can be made up in producing other commodities. But the individual who handles a product which is squeezed in a position where he loses money, and must go out of business unless he has enough capital to absorb the loss.

On the general question of price level and inflation, I think it is perhaps interesting to note that since the 1st of January 1941, which is usually taken as the starting point, because there was not any great increase before that time—for a number of years there was a slight increase, but substantially prices have been level—wages, that is, gross weekly wages, take-home pay, have gone up from approximately \$26.40 to \$47, or an increase

of about 80 percent. Gross hourly wages, that is, the average wage paid per hour, taking into account overtime, which is the figure that goes into the manufacturer's cost sheets, have gone up 52½ percent, from 100 to 152½. In straight hourly wages adjusted for industry—that is, if the individuals have been working in the same industry—the actual increase is 37½ percent. On the other hand, the wage rate actually earned, counting the workers who shifted into other industries where more money is paid, has gone up 45 percent in these 4 years.

We talk about the Little Steel formula of 15 percent, but, as a practical matter, it has not been possible to freeze wages, in spite of the proclaiming of the wage freeze—and why? For the simple reason that a price freeze or a wage freeze freezes injustice as well as justice. It freezes unjust conditions as well as just conditions. If you are really going to have a price freeze and make it work you have to expect a freeze of unjust conditions. Human nature will not stand that. Human nature will not stand it in the case of wages. So we have had to adjust unjust conditions in the wage field. That is the reason it is not possible to freeze wages. Wage rates alone have gone up, at the lowest calculation, 37½ percent, and possibly 40 percent. At the same time the cost of living has gone up only 26 percent. So that the cost of living price level has gotten entirely out of line with the wage level.

It is suggested that wage earners are more efficient. I do not think the slightest evidence has been offered that there has been any increase in the efficiency of wage earners. As a general thing, in war time efficiency decreases; and I think probably efficiency has decreased in this war. At any rate, there are no reliable figures to show that it has in any way increased, although in the last war it decreased, and after the war it increased.

The result of the whole business is that we have a certain degree of inflation. That is, we have an increase in retail prices of 26 percent, and in wages, up to about 40 percent. I do not think we could prevent it, and I do not think we can prevent the level going somewhat higher, so long as we have a deficit of \$50,000,000,000 or \$35,000,000,000 a year. On the whole, I think if we could stabilize at a level approximately 25 percent above the January 1, 1941, prices, we would be better off. I doubt very much if we want to depress prices, and hold prices down to the point where, when the drop comes, they will drop still further, perhaps to prewar prices, or 15 percent above prewar prices. I think there would be much less difficulty in adjustment if we could maintain approximately the present price level and approximately the present wage level.

My feeling is that we have inflation, and we might as well recognize it. I think we should adjust prices to correspond approximately with the wage level. I think we ought not to be afraid of increasing prices. People talk about the so-called spiral of inflation. That is a very slow-moving spiral. Wages are adjusted once a year. Under the OPA prices will be adjusted once a year.

There is no tremendous difficulty. If we increase manufacturers' prices 10 percent and hold the distributors to the same margin they are getting today, we can hold retail prices down to an increase of 5 percent. So far as I can see, if the war continues, another increase in wages of 5 percent is almost certain to occur. We cannot help it. There is no way in which we can fix wages as we can fix prices. We are bound to face a certain increase in wages, and it seems to me that the proper thing to do is to recognize that fact, and recognize that the prices may go.

About a year ago the British Government had no hesitation in saying, "We feel that conditions are such that we are going to have to let prices go up 5 percent. We are not going to absorb the increase any further with subsidies. We have gone as far as we care to go with subsidies, and we are going to let prices go up." So far as I know, nothing happened to discourage the British war effort or British workmen.

The choice has been presented here between wide open inflation and a complete price freeze. I say that the proper thing is a moderate course between those two policies. It would be just as dangerous to hold prices below wages as it would be to let prices hit the sky. It is true that after the First World War, the moment the armistice came to an end, the administration deliberately took off every control. That was the view of the present senior Senator from Virginia [Mr. GLASS], who was then Secretary of the Treasury. That was the view which predominated in the Wilson administration. They took off every control; and it is true prices hit the sky and went up 25 or 30 percent after the end of the war.

I do not favor any such control at all; but I do say that if we want to secure recovery in this country, we must permit those who want to make things to make a profit when they make them. We must fix a price which will encourage people to go into business, expand their business, or start new businesses which will put people to work, so that we can meet the unemployment which we face.

Today we are really facing the reconversion period. The only reason I have made the fight on these amendments this year, when I never did it before, is that I think we face an entirely different situation. During the war, if there were casualties in business, that was no worse than had happened to many other businesses which had to go out because there were no materials for them to use. It was certainly not as bad as the sacrifice of life in the war. They were simply casualties. I thought the policy was mistaken, and I still think so. I believe that even during the war it discouraged production.

The trouble with the meat situation is not with production. The production of meat is all right. The farmer and the stockman are receiving sufficiently high prices to enable them to raise meat animals. The difficulty is that so many packing houses have closed that the processing of the meat has been forced

into unreliable and illegitimate hands, thus building up a tremendous black market. Packer after packer has gone out of business because he could not meet the price squeeze which was put on him by the present administration. It started with beef. Two or three small beef packers in Cincinnati, who had been in business for a hundred years, quit business nearly 2 years ago. Since that time there has been a steady increase in the number of casualties among the various packing houses. I have before me telegrams which I shall read, relating to the closing of packing houses in Canton, Ohio, and Piqua, Ohio. I have telegrams from Dayton, where there is no legitimate meat, by reason of the fact that the supply houses which formerly provided meat have closed their doors because they lost money on every head of cattle they purchased.

From the beginning the Office of Price Administration has made one great mistake. We were urged, when we first enacted this law, to put one man at the head of all food control, so that he would have a concern both with the production of food and with the price of food. It was urged that one man should deal with the whole problem. Instead of that, the Office of Price Control was set up to control all prices, and another division was given charge of production. Since that time the fetish of the price freeze, the anti-inflation complex, has so dominated the administration that today they sacrifice all questions of production. They have sacrificed justice to individual processors, justice to individual men, and justice to various industries.

The idea behind the anti-inflation complex is the determination to keep the retail price of everything at a certain level. That has been such a dominating policy in the administration that it did not make any difference who was War Food Administrator or who was Secretary of Agriculture. I do not believe now that merely taking food control away from the OPA and giving it to the Secretary of Agriculture will obtain any result, because this policy is a policy which extends all the way down from Mr. Vinson, and has dominated the administration. I think it is a great mistake. I think it is just as important to get production as it is to have proper prices.

I think we could well stand an increase in prices if it would result in increased production. I think there has been a mistake in policy from the beginning, and I do not think the present policy can be adhered to. If we could freeze wages and freeze all costs, then I should say that we could freeze all prices. But we cannot admit that there is an inflation in wages and an inflation in wholesale prices, and then pretend that there is no inflation in retail prices. We can follow such a policy for a while; but if we hold it too long, it bursts at the seams, just as it has done in connection with the meat problem. Today meat is in a similar situation to that occupied by liquor during prohibition. The same situation applies to other products. We have talked a great deal about meat, but it is only a sensational and spectacular evidence of the result of this policy. The same thing is happening in other lines, in a

quieter way. In other lines people simply cannot manufacture. Production will be steadily reduced, and the result will be reduced production in the post-war period.

I believe that the attitude of the Price Administration has been wrong from the beginning on the question of cooperation. We wrote into the original Price Control Act all sorts of provisions about cooperation. We wrote in the provision that before any regulation or order should be issued, the Administrator, so far as practicable, should advise and consult with representative members of the industry affected by such regulation or order. That never was done during the first year or so of the act. Today, while consultations are held, members of the industry come directly from them with the feeling that no real consideration has been given to them.

We also wrote in the provision:

He shall appoint an industry advisory committee or committees, either national or regional, or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry or of the industry in such region, as the case may be. * * * The Administrator shall * * * advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable. * * *

That was ignored for a year. Finally, after these committees were appointed again, they found it almost impossible to secure any real hearing from the officials of the Office of Price Administration. The attitude has been, in effect, that the businessman is a crook, that the businessman is wrong, that if he gives the OPA some figures, presumptively there is something wrong with the figures, and the OPA must go back and get one report after another, in the meantime postponing any relief in the particular case in which relief is sought.

We inserted a provision that—

In carrying out the provisions of this act the Administrator is authorized to confer with producers, processors, manufacturers—

And so forth—

to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or the other purposes of this act.

In the First World War the price of cattle was controlled by such an agreement. It was controlled by an agreement between the Price Administrator and the packers as to the general level of prices which would be paid for cattle. It was done voluntarily by the industry, and it could be done.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Lucas in the chair). Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. TAFT. I yield.

Mr. ROBERTSON. I think this is an opportune moment to place in the Record a comparison between the wages paid in the cattle-raising and wool-raising

States of the West today, as compared with the prewar rates.

In the case of sheep herders the prewar rate was \$50 a month and board. Today it is from \$150 to \$175 a month and board. In the case of camp tenders, the wages rose from \$55 a month to \$150 a month. In the case of ranch hands the wages rose from \$40 a month to from \$125 to \$150 a month, and in that connection I may say that the \$40-a-month ranch hand of the prewar time did the work which, today, two \$125-a-month men do.

Hay hands were paid from \$2 to \$3 and board in the prewar period. Today they are paid from \$6 to \$8 a day. Irrigators who were paid \$60 a month in the prewar period are now paid \$175 a month. Cowboys who were paid \$50 a month now are paid \$150 a month.

I thank the Senator for yielding to me.

Mr. TAFT. Mr. President, the Senator from Wyoming has called attention to a particular industry in which there has been a much greater increase in costs than in the prices the industry receives. The OPA has refused to accept the ordinary accounting reports of manufacturers and processors. It has disallowed varieties of costs which have been allowed by the Bureau of Internal Revenue for years. It has taken the position, in effect, that the Bureau of Internal Revenue has been duped by businessmen for many years, but that the OPA knows better. So, one after another, it has required detailed statements which the smaller operators often are unable to furnish, and then it has proceeded to disallow the costs, or has done so in order to have some excuse for not granting an increase in price which should be made.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McMAHON. I should like to ask the Senator, inasmuch as he has just stated that the small processors cannot furnish the statements, how they will furnish the statements upon which their profits will be computed, if the amendment is adopted.

Mr. TAFT. That would be up to them. If they could not furnish such statements, they could not get the increases in prices. I think that is the answer.

Earlier today the charge was made by Mr. Bowles that this procedure is too complicated. The answer is that if a processor cannot separate the costs of different products, he cannot make out a case for an increased price. That would be the fault of the businessman, and in that event he would not receive the increased price.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. If they can figure the costs of their businesses for income-tax purposes, under the rules of the Bureau of Internal Revenue, why can not they arrive at some approximate estimate of their costs and profits for the OPA?

Mr. TAFT. The charge was made that, of course, the Bureau of Internal Revenue does not require an operator to furnish separate figures for beef, pork, mutton, lamb, and other products, and the claim was made that the processors

and packers could not separate their figures, in order to provide separate figures for the various products. Today the Bureau of Internal Revenue does not require that to be done.

Mr. BARKLEY. No; it does not require that to be done. But I think any ordinarily prudent packer or processor would do that anyway, in his own interest. He would not throw all of his hogs and cattle and sheep into the same pit, so to speak, and turn them out together and have a general conglomerated cost for all of them. He is bound to keep books.

Mr. TAFT. I agree with the Senator; I think it can be done, and I think the smaller packers can furnish such figures. But earlier today it was claimed that the task would be impossible; the argument was made on the ground that the cost figures requested would be so complicated and would require such rearrangement of accounting practices that the packers and processors would have to employ expert accountants, and that it would be beyond the means of the average small packer.

Mr. BARKLEY. The statement also was made that the OPA, in order to obtain an estimate of the cost of production, sent out approximately 68 requests. No one claims that there are more than four or six large packers in the country, so the 68 must have included some small or medium-sized packers. Most of them did not reply. They did not say, "It is too complicated," but they simply ignored the request altogether. They seemed to feel that it was none of the OPA's business, and they would not answer the letter. They could have replied, "We cannot give you accurate figures about it. Perhaps if you simplify the formula, we can." But they ignored the request altogether.

Mr. TAFT. I understand that. For March, for processors of more than 70 percent of the meat produced in this country—not 70 percent of the packers—returns have been furnished for all of them except approximately 10 percent.

Mr. BARKLEY. Of course, the 70 percent included many of the smaller packers.

Mr. TAFT. Of course.

Mr. BARKLEY. But certainly it did not represent 70 percent or 50 percent or 30 percent in number.

Mr. TAFT. Mr. President, the OPA has also pursued, since the beginning, a crack-down policy. I think the enforcement policy has been unwise. It has not resulted in the apprehension of the real black-market operators. The OPA has usually chosen some big figure and has shown some minor infraction of the law, so that it could make a good deal of noise about proper enforcement. From the beginning the people have been prosecuted without warning. In general, the whole policy has not been one of cooperation with business, but it has been one of crack-down on business, suspicion of business, and a general attitude or frame of mind that the less we have of processors and distributors, the better.

Mr. President, I have said that the OPA has departed from the policy of the

act. The act was very definite in giving expression to the idea that one who had additional costs should have increased prices. The standard set out in the act is clear. It provides that the Administrator may by regulation or order fix a fair and equitable price. Then it says that he "shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest 2-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941."

That provision has been completely disregarded. At the end of these two amendments provision is made to re-write that principle into very definite, compulsory language.

Instead, as I have said, the OPA has adopted the policy of a retail-price freeze, and in order to do that the OPA has sacrificed everything else. I hope to give a number of examples of actual controls by the OPA in order to illustrate what I am saying; but now I say that after 2 years of constant discussion with the OPA and constant conversation with persons who have come to Washington to present their case to the OPA, the OPA has deliberately used every possible device to prevent giving anyone an increase, no matter how much it might be justified.

Over and over again the Industry Division of the OPA, which is headed by a man who knows something about the particular business under consideration, has recommended an increase, but it has not been put into effect. The favorite method is that of delay. More figures are requested, and more hearings are held. In the case of the smaller meat packers, for example, they went out of business before any action was finally taken by the OPA. At the present time, under pressure from Congress, the OPA has made at least three additions to the price of meat by means of subsidies. In most industries if the OPA makes any adjustment it is usually an adjustment of about one-third of what was asked for, and about one-third, perhaps, of what the industry is actually entitled to, and on the basis of the lowest possible method of calculation.

The OPA has adopted a peculiar rule. In the first place it looks at the over-all industry profit. When profits are considered it is necessary to go back a year. It is impossible to tell what the 1944 profits of an industry have been until 3

or 4 months following the end of 1944. In other words, it is necessary for the manufacturer to take a heavy loss before he can prove he did not make any profit, and he must stand the loss for a year.

In the second place, when considering the over-all industry profits, a few persons have been doing things which have been very profitable. For example, some of the large packers are making money on various side lines and specialty articles which they make from meat. It is all taken into consideration, and the industry as a whole is taken into consideration from the point of view of the overall profits, and the smaller producers are denied an increase. The OPA has adopted the peculiar rule that if a manufacturer is making three or four separate articles, and two of them have been profitable, the OPA can make him sell the remaining two at a loss. The OPA requires the manufacturer to sell them at a loss. Yet the rules provide that if he is making an over-all profit, at least breaking even on products B and C, and can show that he is sustaining a loss on product A, he may raise the price of product A just high enough to cover his expenses for labor and material. In other words, he must sell the product at a price which will return no profit, because he is selling products B and C at a profit.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Is not the practice to which the Senator is now referring the practice which is followed in almost every business?

Mr. TAFT. No; I do not think it is. I would not say that distributors and retailers have not had loss leaders, perhaps as a customary thing.

Mr. ELLENDER. Does the Senator mean to say that manufacturers make profits on everything which they manufacture?

Mr. TAFT. If a manufacturer does not make a profit on an article he usually discontinues making it, or finds some way by which to increase the price of the article, or decrease its cost of manufacture. No manufacturer wants to continue to make a particular product at a loss if he can possibly avoid it.

Mr. ELLENDER. What the Senator states is not the evidence we have received in the committee from one of the largest processors of meat.

Mr. TAFT. There have been times when, of course, every manufacturer has made some product at a loss, but at the first opportunity he did everything which he could do in order to adjust the situation. Why should he continue to make something at a loss? He would be better off by discontinuing the manufacture of the article. The difficulty is that the loss is made in many cases before anything can be done about it. For example, a manufacturer perhaps sustained a loss in 1941. If he had continued into 1942 perhaps he would have found some way by which to offset the loss. But there is fastened onto him a price which is below cost.

Mr. President, let us consider for a moment the postwar reconversion period. An effort is being made to encourage

many persons to go into business. It has been proposed to loan returning GI's approximately \$2,500 or more for the purpose of going into small businesses of various kinds. Does the Senator from Louisiana believe that any of them will go into a business and manufacture articles which have to be sold at a loss? Obviously, if we hope to establish manufacturing activity in this country we must fix the maximum price of manufactured goods sufficiently high to provide an incentive to persons to go into the business of making the particular products involved, and other products as well. Today we face the return of approximately 2,000,000 men from the Army within the next 6 months. We face the dismissal of 2,000,000 or 3,000,000 men from war work by the end of this year. Those men will have to go to work in civilian industry. If we try to absorb all of them in industry we must fix prices for manufactured articles at a level which will induce the manufacturers to produce the commodities the American people are willing to buy.

Mr. President, I think the OPA policy is in violation of the OPA Act. I think the act contemplates that every product shall be sold at a reasonable and fair price. The act does not say so in so many words, so the pending amendments provide that a reasonable profit shall be made. I believe the act itself contemplates that every product shall stand on its own feet.

Mr. President, I do not wish to make statements without explaining them, and I should like to consider briefly a few of the examples of various industries which have come to my attention within the past 30 days.

Here, for example, is a manufacturer of screw-machine products, such as small screws, bolts, and nuts, which go into the parts entering into the construction of automobiles. Only last week a committee of manufacturers of screw-machine products called on the OPA, and the OPA told the committee that it was about to issue an order rolling back their prices to the 1941 levels. Why? Because the articles in which the committee was interested are used in the manufacture of automobile parts, and the policy of the OPA is to require that automobiles be sold at 1942 price levels when the manufacture of automobiles shall be resumed. The general statement of postwar policy relates to automobiles and to other articles to which reference has been made by the Senator from Delaware. The OPA states, in effect, "We expect automobiles will be sold at 1942 prices. We have a formula." But when one reads the entire order, one sees that it evidently applies all the various principles which have been adopted previously, and provides that automobiles and refrigerators shall be sold at 1942 prices, although since the 1942 prices were fixed the cost of material and labor has increased by from 25 percent to 30 percent. The little fellow who makes the parts of parts, if you please, Mr. President, has been told that his prices will be rolled back to the 1941 levels, and that the prices of all automobile parts will be rolled back.

Mr. President, to my mind, that policy is inconceivable. We cannot encourage people to make articles which the public wants if such a policy is pursued. As a matter of fact, in the particular case to which I have referred, that of the Ainsworth Co., the company ordered at the 1941 prices a number of small-screw products of the Ann Arbor Automatic Products Co., of Ann Arbor, Mich. The company said, "If we accept the order, we will have to sell these products at a loss." The order was turned down. The parts manufacturer was able to find another company which apparently had a different price level, and was able, therefore, to accept the order. There is a vast number of metal manufacturers, all held down to something like 1941 or 1942 prices.

I come now to an agricultural product, Ohio potatoes. I shall not go into all the figures as to Ohio potatoes as against Maine potatoes. Whether they are a superior product, I do not know, but, at any rate, the Ohio growers get a higher price than the Maine growers get, but only for home consumption.

As a result of the price fixing of the administration, the association which has written me says that "The potato acreage in Ohio in 1944 was the smallest since 1887," because the price fixed on Ohio potatoes was inadequate. The indications are that the 1945 acreage will be reduced by 10 percent below 1944.

I come now to the case of the Shelby Shoe Co., of Portsmouth, Ohio. The OPA has priced women's shoes down to a point where the manufacturers absolutely break even. Who is going into the business of manufacturing women's shoes if he is not going to make any profit on them? All the incentive to build up volume is gone if a reasonable price is not allowed. Why are the manufacturers denied a reasonable price? It is because they happen to own a lot of foreign patents, or foreign licenses, under which they give the forms and the names to manufacturers in South America and Europe, to apply to shoes they manufacture, and on those licenses they make a profit. So the OPA says, "You cannot increase the price of shoes, although the costs today are equal to the price we allow you."

Mr. President, this company is not going broke; in fact, it is one of the strongest companies in the field; but how can we expect the women's shoe industry to expand if we require on all women's shoes—and these are the \$4 to \$6 shoes—to sell for the same ceiling price which has been in effect ever since 1941, instead of at a 25 to 30 percent increase? How can we expect new people to go into the shoe business, or old shoe companies to expand, if we allow them a price which exactly equals their costs, all because a particular company happens to make a profit on something else, which has no relation whatever to the price level of shoes in the United States?

Now here is the case of Hollingsworth & Whitney Co., a paper mill company of Maine. This company happens to make in a Maine mill the paper which is used in the punch cards which have been widely sold and used by the Army and

Navy. It happens to have two mills in the South, and one in Maine. At the present time it is losing \$400,000 a year on its Maine mill, and the OPA says it cannot increase the price—although, incidentally, the card manufacturer would pay the increase—because the company is making a profit on different kinds of paper in the mills of the South. What will happen? The company will close down its Maine mill and throw thousands of people out of work. What justification is there for that, merely because the company happens to be operating two profitable mills in the South producing some other kind of paper?

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHITE. I happen to have a folder before me which deals with the question of the Maine mill to which the Senator is referring, and what the Senator has said prompts me to quote very briefly from the folder, if I may, with the Senator's approval.

Mr. President, this is a concern making card stock. I think it makes about 90 percent of all the tabulating card stock made in the United States and used by the Government of the United States. It makes this card stock at the order of the War Production Board. It has not a free choice as to the quality and kinds of paper product it makes, but it gets its orders from the War Production Board. Yet, at the same time, the War Production Board has restricted the company's ability to make other paper by directing it to "ship pulp from our northern and southern plants to other paper mills, thereby further decreasing the supply available to our own paper machines."

Mr. President, this is a plant engaged in a particular manufacture, at the direction of the War Production Board, and the War Production Board prevents the possibility of its extending its activities into other forms of paper products, by directing that its pulp be shipped to other mills.

It happens that this same mill faces a tremendous increase from 1941 to 1945 in the cost of the wood that goes into its wood pulp. It says:

In our case, the wood cost per ton of pulp in the first quarter of 1945 is 123 percent greater than it was in the middle of 1941.

That, of course, is only one item of cost, and it may be the largest—I do not know about that—but the net result is, as the Senator from Ohio has said, that that mill, long an active industrial concern in my State, is operating now at a loss of \$435,000 a year, and, of course, it means the complete disappearance of that industry from the State of Maine unless the War Production Board or the OPA or some other interfering agency of the Government affords some measure of relief.

Mr. TAFT. The amendment I have offered covers the situation, because it provides that they shall be entitled to the same margin over today's costs in their present prices that they had in 1941 over the costs at that time. The amendment of the Senator from Oklahoma covers only agricultural products; I think it probably does not cover paper, but the

amendment I have offered does cover the situation referred to by the Senator.

Mr. WHITE. I wanted to make sure of that. I understood that the amendment of the Senator from Ohio did cover such a situation as that I have brought out.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. Does the Senator know whether or not the profit on the two southern mills is sufficient to more than offset the loss on the Maine mill?

Mr. TAFT. It is about the same. My recollection is there was about \$500,000 profit on the two southern mills, and a loss of about \$400,000 on the other. But it is an entirely different kind of paper. The paper made in Maine is a special paper, used especially for punch cards which are widely used today by the Government.

Mr. AIKEN. I was merely wondering, if the correction were made in the case of the Maine mill, whether the War Production Board would not turn around and say, "We will cut to a sufficient extent the price of what we are allowing the southern mills to offset that."

Mr. TAFT. I think that would be justified, and could be done.

Now, let us consider textile products. For some reason the OPA has held down the prices of low-grade textiles strictly, at the same time allowing the textile mills to make a lot of money on the more expensive grades, rayon goods, and the like.

Mr. AIKEN. I think that is true. I think it is very difficult to explain some of the workings of the OPA today, and, in my opinion, the Senator from Oklahoma and the Senator from Ohio are substantially stating the facts as to the situation. The only question is, What can we best do to remedy the situation? Can we do anything to remedy it, inasmuch as it is largely a matter of administration? We have legislated before, and the Government agencies have ignored the intent of Congress. Will further legislation make them act any differently?

Mr. TAFT. I admit the Senator's point; I do not know whether there is anything to do except to impeach them. But I think the Senator from Oklahoma and I have offered amendments sufficiently clear so that they will have a hard time not making some reasonable adjustment, at least, even if they do not go the whole distance I think they should go.

Mr. AIKEN. I realize the situation, but I have wondered whether we could gain anything more by legislation, and whether the time had not about come when we should tell certain Government agencies that they would have to mend their ways or we would adopt more drastic methods than merely legislating. The question in my mind is whether the amendment offered by the Senator from Oklahoma or that offered by the Senator from Ohio would materially improve the situation.

Mr. TAFT. We think they would. I now go to another case, Mr. President, the manufacturer of small electric mo-

tors for civilian purposes. The letter I have is from the Ohio Electric Manufacturing Co., of Cleveland, Ohio, and it states:

Our company was visited the other day by a regional business consultant for the Department of Commerce who asked us if we had any reconversion problems.

I advised him we had no problems whatsoever except that of prices, but so far that was an insurmountable problem because the cost of labor had gone up about 100 percent since 1941, and, therefore, if we sold fractional horsepower motors at the depressed prices prevailing prior to the war, we would be losing an average of \$2 per motor.

We need the privilege of quoting up to 25 percent more than prewar prices in order to name a price which would give us 5-percent profit after taxes. Of course, there are some lines, as noted above, where we do not have to add anything and some would come somewhere in between nothing and 35 percent, but we would need 35 percent leeway (on this product) to enable us to quote to promote full production after the war.

Mr. President, I do not like to dwell too long on this angle of the discussion, but I think the only way this case can be made is by showing the vast variety of industries and cases that are affected by the present policy of the OPA.

Then there is the case of malt products. For some reason the OPA has proceeded now to roll back the price of beer. For many years it has been a recognized legitimate practice for certain malt products to provide a reasonable profit to the distributor. This has been an economic necessity in some cases. In any event, it has grown up as a matter of practice, which does not now seem to be a legitimate matter of concern of the OPA. But OPA now comes along and rolls back the ceiling price as of 1942 on malt products on the basis of the price of the manufacturer to the distributor, in an effort to equalize the margin of profit rather than to control the price to the consumer. OPA has put an increase on one fellow, so it proceeds to take it out on somebody else.

Here is a telegram from a cloak and suit manufacturer in Toledo, Ohio:

In reference to NAP supplementary order 108, OPA regulation affecting the cloak and suit industry undermines the financial condition of this 50-year-old organization. Unless the average price maximum can be raised this plant must stop operation. This would throw out of employment approximately 150 men and women who have made this their life work and are not capable of other employment because of training and age, and a lay-off would be definitely detrimental to them. To maintain this order is not to the best interest of the public or of this particular industry.

Let us consider the case of work socks. The present price on work socks, which are made of cotton, has been so fixed, as in the case of a good many cheaper grade textile products, that, according to the Fair Brand Hosiery Co., which is, I think, the largest manufacturer of work socks, there is a loss of about 8 cents on every dozen pair of socks. The selling price is \$1.45. The current cost of making the socks is \$1.53.

The same thing is admittedly true in the case of a great many of the cheaper grades of textile products. With respect to underclothes, women's cheap dresses,

all sorts of children's clothes, OPA today and WPB are saying to the textile mills, "You must make these products at a loss. You must go ahead and make them. We do not care whether you lose money on them or not. You can make it up on something else if you can."

Mr. President, I do not know if that is unjust to those mills, but I do know that so long as such articles are priced at a figure less than cost, they are not going to be made. It is not human nature to make them under such circumstances. People will not be put to work making them if the price of the articles is not adjusted so as at least to yield a reasonable return over the cost.

The Central Carton Co., of Cincinnati, Ohio, manufacturers of folding paper boxes and displays, writes as follows:

Regulations have made it increasingly difficult to operate profitably.

In our industry, which is the folding-paper-box industry, we have had to absorb all increases in the cost of raw materials, labor rates, and freight rates and also the cost of higher grade boards and trim sheets when substituted for the correct grades and the right size sheets. We have also had to use the same profit margins on wholly dissimilar products and have not been able to improve the quality of the packages which we supply our customers unless we absorb the increase in the cost of improvement.

The B. & P. Motor Sales Co. is a manufacturer of electric irons. I do not know what the final result has been, but in March they got a price from the OPA:

If we were to sell our irons to the trade at \$5.23 we would lose better than \$1.50 on each iron.

No one is going into the electric-iron business if he is going to lose \$1.50 on each iron.

Here is a letter from a cottonseed mill with which I happen to be familiar. It was once owned, I think, by my uncle. It is the Taft Cotton Oil Co., of Taft, Tex.:

As I explained to you when in Washington just a year ago, Commodity Credit Corporation and the OPA have ceilings on all our products and a floor on the price of cottonseed. Certain large vertically integrated corporations making profits on other operations are using same to subsidize or take care of the losses of their cottonseed oil milling operations. The small oil-mill operators are in the same kind of a squeeze as the small independent meat packers, and unless the program is changed there is absolutely no chance of survival. Our loss this year would be around \$30,000.

That is a small company with a capital of \$150,000, and so far as I can remember, with the exception of 1 or 2 years when there was no cotton, that company had made a profit every year for the last 15 or 20 years.

The Underwear Institute of New York City writes:

The heavyweight underwear situation will be in a state of crisis similar to that now present in meat—just as soon as the weather turns cool this fall and people set out to buy some.

In my opinion there will be none.

This is due to the fact that in practically all of the mass production mills, making low and medium price heavyweight underwear, we find their price ceilings below their costs. For your information I am taking the liberty to enclose copy of letter written by the Utica Knitting Co. to Dr. W. Y. Elliott, Vice Chairman of Office of Civilian Requirements.

Which gives the exact figures showing the loss on heavy underwear.

I have here a letter from an Ohio building material company, the Toledo Plaster & Supply Co. They write:

First, a price increase was allowed the manufacturers of lime but the same was not passed on to the building supply dealers, making the margin between the cost and selling price so small that it was almost a joke.

In that case, of course, they made the distributor absorb the increase in cost.

Second, when the retail price on face brick was frozen, it was a delivered price from the brick plant to the job site and consequently included the cost of delivering by truck. This cost has increased tremendously not only in wages to the truck drivers, but in the upkeep and repairs to trucks. The manufacturer's price on face brick was recently increased but no relief was given to the building supply dealer, due to the increased cost of trucking.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Will the Senator tell us which period of time will be used by OPA as to costs, so as to fix a reasonable profit on each product processed by a manufacturer? Would it be the costs of last week, last month, or future costs?

Mr. TAFT. I think it should be any typical period. I think they should give some allowance for the future. Ordinarily I would say it ought to be done on the most recent figures obtainable. I think the producer should not wait until the end of the year either. If the wages have gone up, the producer will know what the increase in the cost of wages is.

Mr. ELLENDER. But suppose the wages were increased, which would naturally follow if the cost of living increased. Would it not be necessary, under the pending amendment, that those costs be taken into consideration in figuring out profits? Let me put it this way: Would it not be necessary to make a new determination every time a processor's costs are increased?

Mr. TAFT. It would operate like this: Suppose the manufacturer's price were increased 10 percent. If the distributors were held to the same margin they had—the manufacturer's price is usually about half the retailer's price—it could be reflected into approximately a 5-percent increase in that particular price. If that were a general or universal increase of 5 percent—which it would not be, because we are moving into a period in which some prices are going down by themselves—then when the next wage contract came up, perhaps in 6 months, there would be an increase of 5 percent. Perhaps 6 months later the manufacturer would finally get his additional increase of, say, 2 percent, because wages are only one item in the increase in costs. So, instead of having what we call an increasing spiral, if it were handled properly, we would have a decreasing spiral. As a practical matter, if we make an increase this fall or about the 1st of January 1946, I doubt if we shall ever have to make another increase.

Mr. ELLENDER. Mr. President, will the Senator yield?

THE PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from

Ohio yield to the Senator from Louisiana?

Mr. TAFT. I yield.

Mr. ELLENDER. How could the OPA follow the suggestion made by the distinguished Senator if, as was pointed out in the course of the debate this afternoon, the costs of every processor would have to be taken into consideration, and a profit allowed to every processor under penalty of the law?

Mr. TAFT. In the first place, in order to make the matter clear, the amendment which I submitted does not contain such a provision.

Mr. ELLENDER. But in his opening remarks the distinguished Senator said that he was speaking in support of the Thomas amendment.

Mr. TAFT. That is correct.

Mr. ELLENDER. He was advocating it. He said that if the Thomas amendment were adopted he would not press his amendment. So I am taking it for granted that the distinguished Senator is discussing the Thomas amendment as it is presently before the Senate.

Mr. TAFT. The Senator interrupted me before I finished what I had to say. In the first place, I merely wish to call attention to the fact that my amendment is based upon an industry standard. As to the Thomas amendment, as a practical matter, my impression is that the OPA would fix one price for the whole industry, at a point which would take into consideration the costs of the least efficient producer.

Mr. ELLENDER. That is the Senator's impression, and it may be wishful thinking on his part; but under the terms of the amendment, as I understand it, the costs of every processor would have to be taken into consideration in fixing a profit for each such processor.

Mr. TAFT. I think so.

Mr. ELLENDER. Has the Senator any idea of the time which would be necessary, the cost, and the vast army of employees which would be required to examine the books of every processor in the country to determine what profit each should receive?

Mr. TAFT. Does not the Senator know that the OPA is now doing that very thing?

Mr. ELLENDER. No; I do not.

Mr. TAFT. There is an increasing number of individual applications, and the OPA has encouraged them rather than increase the price when it ought to be increased in order to give a fair price for the whole industry. The OPA has held the price down to a wholly unjustifiable level and has encouraged the least efficient producers to make application to have a particular price fixed for each individual firm. Not only that, but when I called up Mr. Brownlee in connection with the future pricing order, he said, "We realize that it is going to be a tremendous task. If we set the 1942 price level for the old products, we are going to have to grant each manufacturer a sufficient price, perhaps in excess of that, to give him a profit."

The OPA is proposing to do exactly what the Senator from Oklahoma is proposing in his amendment. Furthermore, the OPA does not have to examine the books of every processor in the country.

If a man is satisfied with the price, he does nothing. Under the terms of the Thomas amendment, the OPA would be called upon to change the price only if a producer should make application for a particular price and lay his costs on the table. So all the OPA would have to do would be exactly what it now does.

Mr. ELLENDER. The Thomas amendment would make unlawful the fixing of a maximum price for any product unless the producer of that product were given a reasonable profit.

Mr. TAFT. Yes; but if we consider the act as a whole, it is perfectly obvious that the only way in which the law could be effective would be for the man who is injured to make application for an increase in price. I think that is obvious on its face. I do not see that the OPA would have to call for any information other than it already calls for from every single manufacturer in the United States. There are 200,000 employees working for the organization, and today the OPA is undertaking to do exactly what the Senator is objecting to.

Mr. ELLENDER. The Senator is a good lawyer, and the language in the pending amendment is clear that no maximum price can be fixed on products of a processor unless his cost be examined or reasonable profit allowed. The Senator knows very well that the way the OPA has fixed prices in the past has been to take the costs of certain manufacturers, allow a reasonable profit, always having in mind profits made during a certain period. Under this amendment it would be imperative on the part of OPA to examine the books of every processor and fix a price which would allow a reasonable profit for him, if I understand the English language. As I pointed out a while ago, a reasonable profit would have to be allowed to every processor for any major product resulting from the processing of any agricultural commodity or for the products of any species of livestock.

Mr. TAFT. I believe the Senator from Louisiana is mistaken in his interpretation. The OPA has not fixed prices in that way. It has frozen prices which theretofore existed. Most prices are fixed today because the OPA froze the price which someone charged 3 or 4 years ago. From time to time individuals have sought adjustments, and occasionally they have obtained them. There have been many more individual adjustments made than industry-wide adjustments.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. When prices have been frozen, the OPA has attempted to fix an over-all price for all those engaged in the same industry, so that prices would be uniform in any given community. But the pending amendment would prohibit the OPA from fixing a ceiling for any processor—it does not say “all processors,” but “any processor”—which would not include costs and a profit, based upon a certain period. In my judgment, it would be necessary for the OPA to consider the costs of every single processor. In any given community where there were six such processors, there would be the possibility that the same product

might be sold at six different prices. If that were true, the customers would go to the processor who sold the cheapest, and he might be the one who needed the least relief so far as prices were concerned. People are going where they can buy processed food the cheapest.

Mr. TAFT. In some respect the Senator is correct; but that condition exists in the United States today. The prices of all manufacturers were frozen, not at a fixed level, but at the particular price which the individual manufacturer formerly charged. So, today we have the condition which the Senator is regretting, and which he says would be brought about by the Thomas amendment.

Passing on, I refer briefly to the used-car situation. There is an attempt to control something that cannot be controlled. The used-car situation is similar to the meat situation. The result of trying to impose ceiling prices on used cars has been to drive most of them into the black market. Today legitimate used-car dealers have about 10 percent of the used-car business, and the other 90 percent is handled on street corners by persons who have no responsibility, and who finally work out a deal by which individual A sells to individual B at a price 50 or 100 percent more than the supposed ceiling price.

The furniture manufacturing industry is another example. I have the following communication from Grand Rapids:

Our company is one of the largest manufacturers of fine furniture in the country, and I am chairman of a price-relief committee of the National Association of Furniture Manufacturers. A careful and detailed survey from about 100 factories in the North shows that the cost of labor and materials in the manufacture of furniture has advanced at least 30 percent since March 1942, the date at which prices were frozen. Since that time the OPA has authorized an advance of 5 percent. Figures show that in the past profits in the industry have been, on the average, less than 8 percent on sales. It is obvious that full employment cannot be given in the furniture industry unless selling prices are high enough to cover today's cost. Unemployment is rapidly developing in Michigan, and our industry is in a position to quickly employ a large number of men, but cannot give employment if furniture must be sold for less than cost.

Mr. BARKLEY. Mr. President, will Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. What does that letter mean? Does 8 percent on sales mean 8 percent on the turn-over?

Mr. TAFT. Eight percent on the turn-over. That is the profit margin.

Mr. BARKLEY. How frequent is the turn-over in the furniture business?

Mr. TAFT. I do not know; I cannot say.

Mr. BARKLEY. It is rather difficult to figure what a man's annual profit is if he is receiving 8 percent profit on his turn-over. He may turn over his inventory every month.

Mr. TAFT. I am not talking about profit. The point is that the increase in the cost of making the furniture has been 30 percent. In the prewar period the cost was 92, and 8 percent was added for the profit margin. Now, if the figure 92 has gone up 30 or 35 percent to 130,

and they still have to sell at 100, they are obviously losing money. They sell at 105, because a 5-percent increase has been allowed. Obviously, they are selling at a loss.

Mr. BARKLEY. Still, if their total increase in the cost of labor since January 1, 1942, were 30 or 35 percent, and they were allowed an 8-percent profit on the turn-over, which might be several times a year, they would still be able to make a profit.

Mr. TAFT. The Senator is mistaken. This has nothing to do with turn-over. The statement is that they figure that if they sell something for \$100 and \$92 represents the cost the profit is \$8. That is unit cost. It has nothing at all to do with turn-over. The 8 percent might give them 2 percent on their capital or 100 percent.

Mr. BARKLEY. I was accepting the Senator's interpretation of his own figures. The Senator said it was 8 percent on sales. If it is 8 percent on all sales, of course it would be on turn-over, because they use the money they get from one sale to buy more furniture, and then sell it.

Mr. TAFT. That has no relation to the unit-cost situation. It seems clear to me that what the telegram says is that where their costs were \$92 and they sold for \$100, they now have increased the price to \$105, and their costs of labor and materials have gone up 30 percent, which would be approximately \$27 more, or a total of \$119. So the net cost would be \$119, and they have to sell at \$105. Probably those figures are not quite accurate, because the costs of labor and materials do not make up more than 60 percent, instead of 92 percent. I would assume that if it is 60 percent, it would be about \$18, or, in other words, an increase to \$110, with the sale at \$105.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. As I listened to the reading of the communications from the various industries, I received the impression that those companies are not complaining that they are not getting by now, so much as they are expressing the fear that they will be unable to convert to production for civilian consumption. Is that the impression the Senator from Ohio has received from those communications?

Mr. TAFT. No; they are entirely different.

Mr. AIKEN. Consider the furniture figures, for instance. I think they have been making money during the war, but their sales have been made largely to the Navy Department, the Maritime Commission, and the War Department; they have been selling largely to the Government.

Mr. TAFT. I assume that to be so.

Mr. AIKEN. They might be able to do business with the Government on an 8-percent basis, whereas that would be totally inadequate for reconversion purposes.

Mr. TAFT. I think the Senator is correct. I think they are chiefly concerned with what their situation will be after the war. Of course, a number of these people have not been in business at all.

so they have no experience. They are saying, "We cannot start and we cannot expand our facilities after we start, if we have to sell at a loss."

Mr. AIKEN. I am receiving similar letters, particularly from two clothespin manufacturers in my State. The costs of their materials have virtually doubled. Now they are getting war orders. They claim they cannot fill the orders on the basis of the 1941 or 1942 prices which they are told they have to charge. I am told, however, that the OPA is considering their cases.

Mr. TAFT. That has always been the trouble; the OPA has been considering cases, but often it has done very little after it has considered them. My experience has been that the OPA often does not do anything after it considers the cases or, when it does do something, it grants increases of such a small amount or such a small proportion of what is requested that there is no possibility for the manufacturer to do business except at a loss.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Vermont has suggested that the furniture manufacturers are making profits because they are selling the furniture to the War Department, the Navy Department, and the Maritime Commission. However, it seems to me that they are selling furniture to everyone. I have not heard that any retail furniture store in my section of the country has closed, and I know they are doing as good business today as they did prior to the war. According to the figures submitted to the committee, the small furniture stores throughout the United States are making 168 percent of the profits they made from 1936 to 1939, which does not seem to be a very unfavorable figure.

Mr. AIKEN. As I recall, they have been limited in the quality of material they have been allowed to use in furniture for civilian use.

Mr. BARKLEY. They have been limited, but that has not affected their profits.

Mr. AIKEN. In other words, they have not been able to use first-class materials in the furniture they have manufactured for civilian use. They have had to use third-grade materials, and the result has been that poor furniture has been produced.

Mr. BARKLEY. But they have made a profit on it.

Mr. AIKEN. I think they have made profits on Government orders. I have not heard any complaints about prices, in particular, from furniture manufacturers. I assume they have been making a profit on what they have sold for civilian use. But there seems to be a fear that they will get stuck in the future when they meet with more competition for their market.

Mr. BARKLEY. They may be true, but they are looking at the top of one hill from the top of another.

Mr. TAFT. Mr. President, if I had received only one communication from one industry, I would simply have said, "That is too bad." But I have received all these communications in the last 30 days. The

situation is Nation-wide. It applies to every industry. The situation affecting meat is obvious. That branch of industry is able to do something, because of the subsidy; but in the case of meat the OPA has refused to increase the price to the consumers 1 cent. That is the philosophy which guides the OPA's entire operations. If the OPA possibly can deny an increase, it will deny it. I think the evidence I have been submitting shows that that is the general situation today.

Other Senators, I believe, will deal with the general question of the meat business. In Ohio, at least, there are a number of packing plants which have closed. In particular, let me say that today there are in Washington two or three gentlemen from Dayton, Ohio. Today, Dayton has practically no meat, because the principal packing company which has supplied Dayton with meat for many years closed last week. It not only dismissed its employees, but it completely shut down its operations, leaving Dayton with practically no meat supply whatsoever. I refer to the Val Decker Packing Co. A letter which I have received in respect to that company reads in part as follows:

They advised me this morning that they are compelled to discontinue their beef kill which has been running about 500 animals per week. A large part of this is set aside for Government use and the balance goes into civilian channels within a radius of 100 miles of Piqua, Ohio, where the plant is located.

From their viewpoint, the OPA situation has simply become impossible. Bill Decker, of that company, has been their cattle buyer for 35 years and has purchased, during that period of time, millions of dollars worth of cattle from markets in Chicago, St. Louis, Wichita, Omaha, Texas, etc. He has been honestly buying. He gets about 2 percent of the cattle he bids on. With prices continually rising, it has been difficult for him to hold to the OPA ceiling prices, but he has endeavored to do so. These cattle come into the plant, are slaughtered, and are then graded by Government inspectors. Oftentimes the Government inspectors, with far less experience than Bill Decker possesses, lower the grades, with the result that, according to their notion, he has paid too high a price for the cattle he purchased. This tends to cause them to go over their allowable purchase price. Due to this sort of thing, their last report showed they were over about \$3,400, which could mean, under the regulations, that they would be denied their accrued subsidy of approximately \$50,000. No matter how honest a man tries to be, it just doesn't make sense for him to jeopardize an entire operation. They have made no money in 1945, and they may be in red ink on their beef kill. They have advised the necessary authorities that effective May 28 they will discontinue killing beef.

They did that.

Mr. President, men do not go out of business merely for the pleasure of going out of business or for the purpose of spiting the Government or the OPA. They go out of business because the OPA has made it impossible for them to continue in business.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Did the person to whom the Senator has just referred give him any idea of how much profit he made last year?

Mr. TAFT. I do not have his profit figures for last year. But a similar packer by the name of Kahn, in Cincinnati, I may say to the Senator from Louisiana, lost approximately \$250,000 on beef, and made approximately \$350,000 on pork. That was in 1944. For the last 5 months of that year he lost on pork, and has lost on pork ever since because the pork kill has been reduced to 50 percent of what it was in 1944.

Mr. ELLENDER and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield, and if so, to whom?

Mr. TAFT. I yield first to the Senator from Louisiana.

Mr. ELLENDER. I should like to point out to the Senator from Ohio that the records show that the profits in the packing industry during the last year on from 70 to 75 percent of meat-packing volume showed a decided increase. The figures show that the percentage of profits on net worth, before taxes, increased from 4 percent which was the average during the period 1936 to 1939, to 25.2 percent for 1944.

Mr. HICKENLOOPER. Mr. President, will the Senator yield in order that I may propound a question to the Senator from Louisiana?

Mr. TAFT. I yield.

Mr. HICKENLOOPER. Will the Senator from Louisiana read his figures again and explain them? I did not quite follow his statement.

Mr. ELLENDER. I will gladly repeat the figures and will give more figures in that connection.

It will be recalled that when the Senate Agriculture Committee held hearings some time ago on the subject of meat shortages, many packers appeared before it and suggested that they should receive a certain percentage of profit on the net sales handled by them. During the period 1936 to 1939, before taxes, the average percent on net sales was 1 percent. I am speaking of percentage on net sales and not a percentage on net worth. I repeat. The average for 1936 to 1939 was 1 percent.

Mr. HICKENLOOPER. That was before taxes.

Mr. ELLENDER. That was before taxes. Last year the percentage was 3.3 on the total net sales before taxes.

Mr. HICKENLOOPER. May I ask the Senator the authority for those figures?

Mr. ELLENDER. They were taken from income-taxes reports and from reports furnished by packers who produce from 70 percent to 75 percent in volume of all meat processed in this country.

Mr. HICKENLOOPER. I have some figures which were published by the Economic Department of the National City Bank, New York City, which I believe to be an impartial investigating medium. The figures show that the packing industry last year, that is during the fiscal year ending last October, made a net over-all profit of nine-tenths of 1 percent on their total volume of business done.

Mr. ELLENDER. Was that after taxes?

Mr. HICKENLOOPER. It was after taxes.

Mr. ELLENDER. The report which I have before me shows that after taxes the net for 1944 was 1 percent on net sales after taxes of packers who handled from 70 to 75 percent of meat packing volume.

Mr. HICKENLOOPER. I have other figures. I have been trying to locate them, but I have not succeeded so far. They indicate that for several years past, the taxes in industries comparable to the meat industry—

Mr. ELLENDER. I will gladly furnish further information to the Senator.

Mr. HICKENLOOPER. It runs in my mind that those figures, compiled from the same source, indicate that the meat business never has had, after taxes, a profit greater than 1.5 percent.

Mr. ELLENDER. One and seven-tenths percent was the highest, and that was in 1941. The percentage is on the over-all net sales and covers the volume of meat that I indicated a moment ago.

Mr. TAFT. Mr. President, I do not see what difference it makes. Surely the fact that a meat-packing industry makes a profit of 1 percent on its gross sales, and adds 1 percent to the cost of meat, is not of great importance to the economy of the country, or indicative of any excessive profits.

Mr. ELLENDER. That may express the Senator's views, but the complaint is being made that the packers are not making profits, and are going out of business. I am showing that they are making profits greater than they have ever made.

Mr. TAFT. The Senator is making the same mistake which the OPA has made. The OPA considers the principal products of the big packers, adds in their side lines such as the canned goods and sporting goods of such companies as Wilson & Co. and others, takes into consideration the profits made on such articles, and adds them to the over-all profits. However, Mr. President, this country does not operate on averages. If the country is to be operated on the basis of averages there will be no small businesses in the United States. I do not care how much the big packers make. Eighty percent of their profits are taken away from them in any event. We must have a price level which will enable persons who have been in business for many years to continue in business. That is the purpose of any price-fixing policy. The purpose is not to control profits.

As I have already explained, in 1944 all the packers who handled hogs made a considerable amount of money during the first 6 months of the year. During the last 6 months of the year, when business fell off, they broke even, and during the past 4 or 5 months they lost money on hogs.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. Many packers appeared before the Committee on Agriculture and Forestry. I believe that most of them testified they made money during 1944. They made it on hogs and at the expense of the producers of the hogs. While the Government placed a floor on hogs of \$13.75, it did not have the machinery

with which to maintain the floor. The result was that the packers were able to buy their hogs in some instances for as low as from 6 cents to 10 cents a pound, particularly if the hogs were slightly overweight or underweight. The packers themselves admitted that it was in that way that they had made their profits last year. It was made at the expense of the farmer who lost money on his hogs. That is the reason we do not have as many hogs this year. It is the shortage of hogs which has prevented packers from making any profit this year.

Mr. TAFT. Mr. President, I thank the Senator. I think the Senator's statement is exactly correct. The packers made money on hogs for two reasons; first, because there was a large volume of them, and second, because of there being a large volume the packers could buy the hogs cheap, and the Government did not keep up the price as it promised to do.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. TAFT. I much prefer, if I may, to finish my remarks. I should like to conclude today.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for a moment?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. Before the Senator concludes I wish he would discuss the problem of the employment of 60,000,000 men after the war is over. How can 60,000,000 men be employed when the price levels in effect are not sufficient to permit profits?

Mr. TAFT. I agree with the Senator, and I shall be glad to discuss the subject.

To continue with the examples to which I have referred, here is a letter from Malcolm P. McNair, professor of marketing, Harvard University:

A particularly good example of this situation exists right here at home in the case of the Saco Lowell Co. At the request of the WPB this company has discontinued the manufacture of war goods and is concentrating on its regular business of manufacturing textile machinery, which is at present greatly needed. And yet, owing to the existing OPA price ceiling the company is losing money every day and seriously depleting its working capital. OPA officials admit the justice of the company's case but say that under the general rule and policies which they have established it is impossible to make an exception. This is an attitude which I think can be justified during the period of all-out war, but I believe there is a point in the transition period when such an attitude will have serious repercussions on the ability of business, both to turn out the goods necessary to prevent inflation and to offer employment to returning servicemen.

What I have read states exactly the point which I have been trying to make.

Mr. President, one of the serious matters which has been brought to my attention, because it is such a basic industry, is steel. The OPA has just granted an increase in the price of steel, which, again, may be sufficient for the large companies, but the manufacturers of steel products—a great many special products—are left in such a position that they also are going to have to do business at a loss, particularly those which are

going back into business from which they have been excluded during the war.

There was said to be an increase from \$2 a net ton to \$7 a net ton on steel, but the actual cost, according to all those who have communicated with me, amounts much more closely to about \$10 a net ton. At the same time there were no increases in many important steel items. No increases were made on cold rolled sheet strips and hot rolled sheet strips.

I remember Mr. Henderson testifying about steel 3 years ago, when he said that he had held the prices of steel and that the manufacturers had absorbed all the preliminary wage increases, but admitted that if there were any more increases they had gone beyond the point of absorbing those increases.

Again, the steel companies engaged in manufacturing war articles have been able to make large profits, but when they have made too large a profit it has been taken away from them through renegotiation. There are, however, many small steel companies—and I do not refer to Little Steel. I do not mean the integrated companies, or four or five big ones that compete with United States Steel—there are many steel companies which make products the prices of which make their manufacture result in a loss. It is in some respects like the meat-packing industry. In the meat-packing industry the large packers can get by, because they make profits on some things, but they are forced to sell other articles at a loss, and when we find one concern which makes only one article which has to be sold at a loss, that concern is out of business. The situation is very much the same in the steel industry.

Mr. President, I should like to refer very briefly to the textile situation, although that is well known. I think everyone is aware that today textiles are being sold at a loss in many fields on the theory that in other fields the textile mills are making a large amount of money. Last year we adopted, as to the textiles, an amendment just like the pending amendment, and while it did some good, OPA did not follow it through completely.

The Senator from Alabama [Mr. BANKHEAD] has secured from the OPA a statement that they will be good hereafter, and he has written into the majority report the statement of what he intended by the original Bankhead amendment. We are really not proposing, in the amendments we are offering, to do anything except to apply to other agricultural products and other nonagricultural products the same principles the Senate voted to apply to textile products in the Bankhead amendment of last year.

Mr. President, there is one other case to which I should like to refer briefly, one no doubt some Senators heard commented on by Mr. Fulton Lewis, Jr. In this we get into the retail field. It seems three Swiss ran a small, cheap lunch counter and a cheap bar in San Francisco. Finally the floor fell in, the building was condemned, and they built themselves a brand new, modern restaurant, of the scale and standard which is very

common in San Francisco. They finished it on the 15th of last December, and applied to the OPA for prices. The OPA said, "You have to sell everything in this brand-new restaurant, with all your higher costs and your increased wages, at the same prices at which you sold at the lunch counter you ran in the tumbledown building." They applied and applied and applied, and today their new restaurant is still on their hands. They are unable to open, and they have not opened. They did open the bar, I think, for 1 month, and lost \$1,900, applying the same prices they had charged before. They closed the bar, and have not opened the restaurant. This is another case of killing employment, another case of discouraging industry in the retail field.

Mr. President, I call attention to one other thing, which shows the general point of view of the OPA. I cut this out of a newspaper yesterday:

OPA last night ordered woolen and worsted mills to return to their average prices of 1943 as another step in cutting customers' costs of suits, coats, dresses, and other civilian garments.

At this late period the OPA is requiring woolen mills again to cut back their prices of woolens to the prices that were charged 2 years ago, in spite of increased costs, in spite of the desirability of bringing about more employment, and making the sale of woolen goods profitable.

Mr. President, they are simply "hipped," if you please, simply fanatically inspired with the determination that there shall be no increase of retail prices, and for that they are willing to sacrifice production, justice to individual operators, and, unfortunately, employment after the war.

Mr. President, I should like to take about 10 or 15 minutes to conclude, and I shall be glad to do that the first thing tomorrow morning, if there is a desire that the Senate take a recess at this time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3024) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1946, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JOHNSON of Oklahoma, Mr. KIRWAN, Mr. NORRELL, Mr. ROONEY, Mr. JONES, Mr. JENSEN, and Mr. DWORSHAK were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3109) making appropriations for the legislative branch for the fiscal year ending June 30, 1946, and for other purposes.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the foreign service.

Mr. BARKLEY. I ask unanimous consent that the foreign-service nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith. That completes the Executive Calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 8, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 7 (legislative day of June 4), 1945:

DIPLOMATIC AND FOREIGN SERVICE

Howard Donovan, of Illinois, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Carl W. Strom, of Iowa, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Bartley P. Gordon, of Massachusetts, now a foreign-service officer of class 8 and a secretary in the diplomatic service, to be also a consul of the United States of America.

THE JUDICIARY

UNITED STATES MARSHAL

Alphonse Roy, of New Hampshire, to be United States marshal for the district of New Hampshire, vice John M. Guay, term expired.

NATIONAL LABOR RELATIONS BOARD

Paul M. Herzog, of New York, to be a member of the National Labor Relations Board for a term of 5 years from August 27, 1945.

Paul M. Herzog, of New York, to be a member of the National Labor Relations Board for the unexpired term of 5 years from August 27, 1940, vice Harry A. Millis, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7 (legislative day of June 4), 1945:

FOREIGN SERVICE

Monnett B. Davis to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark.

Paul H. Alling to be a diplomatic agent of the United States of America at Tangier, Morocco.

Lynn W. Franklin to be consul general of the United States of America.

Theodore C. Achilles to be a consul of the United States of America.

Robert Rossow, Jr., to be a foreign-service officer of class 8, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

POSTMASTERS

IDAHO

Gordon A. Needham, Kellogg.

ILLINOIS

Eva H. Bubon, Alpha.
Elizabeth Romer, Northfield.

MINNESOTA

Magdeline Giefer, Hampton.
Fannie S. Ronkainen, Kettle River.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 7, 1945

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Eternal God, our Father, we are again calling upon Thy name, compelled not only by our many necessities but constrained by Thy great love and encouraged by every gracious invitation in Thy Holy Word.

We pray that we may meet all the experiences of this day with the glad assurance of Thy promise that they who wait upon the Lord shall mount up with wings as eagles; they shall run, and not be weary; they shall walk, and not faint. When we are tempted to allow our faith to become eclipsed by fear, give us a vision of Thy love and power which cannot fail.

Grant that in our prayers we may remember more frequently and fervently those brave men and women who are giving themselves so valiantly in order that our noble heritage may be safeguarded. May they have the constant inspiration and confident companionship of Thy presence.

Hasten the dawning of that day when the spirit of man shall be emancipated from everything that defiles and destroys its splendor. May the sinister and sordid forces of evil be forever banished from

the earth and supplanted by the ideals and principles of our blessed Lord.

In His name we offer our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3267. An act to further extend the effectiveness of the act approved December 17, 1941, relating to additional safeguards to the radio communications service of ships of the United States, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3024. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1946, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 65. Joint resolution to transfer to the Reconstruction Finance Corporation the functions, powers, duties, and records of certain corporations.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 510. An act to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes.

EXTENSION OF REMARKS

Mr. LUDLOW asked and was given permission to revise and extend the remarks he expected to make today in the Committee of the Whole during the consideration of the war agencies bill and to include a list of WPB controls and other tabulated matter.

Mr. BECKWORTH asked and was given permission to extend his own remarks in the RECORD.

Mr. DICKSTEIN asked and was given permission to extend his remarks in the RECORD by inserting a very brief editorial dealing with the question of constitutional amendments.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Tuesday next I may be permitted to address the House for 20 minutes after the disposition of business on the Speaker's desk and following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. GARY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an extract from a letter he received from overseas.

Mr. CURLEY asked and was given permission to extend his remarks in the RECORD and include an address which he had made.

Mr. LUTHER A. JOHNSON asked and was given permission to extend his remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include a press release.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent that on Monday next, after the regular business of the day and any special orders, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent that on Monday next, after the legislative business and any other special orders, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

BRETTON WOODS AGREEMENT ACT

The SPEAKER. The unfinished business is the further consideration of the bill H. R. 3314, the Bretton Woods Agreement Act.

The question is on the motion to recommit.

Mr. SPENCE. Mr. Speaker, on that I ask for a division.

The question was taken; and on a division (demanded by Mr. SPENCE) there were ayes 8 and noes 73.

Mr. SPENCE. Mr. Speaker, I object to the vote on the ground there is no quorum present and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 29, nays 326, not voting 77, as follows:

[Roll No. 97]

YEAS—29

Bennett, Mo.	Jenkins	Rich
Bishop	Johnson, Ill.	Elzey
Brehm	Jones	Robison, Ky.
Buffett	Knutson	Schwabe, Mo.
Clevenger	Lemke	Schwabe, Okla.
Cole, Mo.	Mason	Scrivner
Curtis	O'Hara	Smith, Ohio
Ellis	O'Konski	Sumner, Ill.
Gwynne, Iowa	Reed, N. Y.	Vursell
Hoffman	Rees, Kans.	

NAYS—326

Abernethy	Bates, Ky.	Bunker
Adams	Bates, Mass.	Burgin
Allen, Ill.	Beall	Butler
Allen, La.	Beckworth	Byrne, N. Y.
Anderson, Calif.	Bell	Byrnes, Wis.
Anderson,	Bender	Camp
N. Mex.	Bennet, N. Y.	Campbell
Andrews, Ala.	Bismiller	Cannon, Mo.
Andrews, N. Y.	Blackney	Carnahan
Angel	Blond	Case, N. J.
Arends	Bolton	Case, S. Dak.
Arnold	Boykin	Celler
Auchincloss	Brooks	Chapman
Baldwin, Md.	Brown, Ga.	Cheif
Bardeen	Brown, Ohio	Chenoweth
Barrett, Pa.	Bryson	Chiperfield
Barrett, Wyo.	Buckley	Church
Barry	Bulwinkle	Clark

Clements	Healy	Face
Cochran	Hedrick	Patman
Coffee	Heffernan	Patrick
Cole, Kans.	Hendricks	Patterson
Colmer	Henry	Peterson, Ga.
Combs	Herter	Pfeiffer
Cooper	Heseltun	Philbin
Corbett	Hill	Phillips
Courtney	Hinshaw	Pickett
Cox	Hoch	Pittenger
Cravens	Hoeben	Poage
Crawford	Holmes, Mass.	Powell
Crosser	Holmes, Wash.	Powers
Cunningham	Hook	Price, Fla.
Curley	Hope	Priest
D'Alesandro	Horan	Quinn, N. Y.
Daughton, Va.	Howell	Rabin
Davis	Huber	Rains
De Lacy	Hull	Ramey
Delaney,	Izac	Ramspeck
James J.	Jackson	Randolph
Delaney,	Jennings	Rankin
John J.	Johnson,	Rayfel
Dickstein	Luther A.	Reed, Ill.
Dingell	Johnson, Okla.	Rea
Dolliver	Jonkman	Richards
Dondero	Judd	Riley
Doughton, N. C.	Kean	Robertson,
Douglas, Calif.	Kearney	N. Dak.
Douglas, Ill.	Kee	Robertson, Va.
Doyle	Keefe	Robinson, Utah
Dworshak	Kefauver	Rockwell
Eberharter	Kelley, Pa.	Rodgers, Pa.
Elliott	Kelly, Ill.	Roe, Md.
Ellsworth	Keogh	Rogers, Fla.
Elston	Kerr	Rogers, Mass.
Engel, Mich.	Kilburn	Rogers, N. Y.
Engle, Calif.	Kilday	Rooney
Ervin	King	Rowan
Fallon	Kinzer	Russell
Felghan	Kirwan	Ryder
Fellows	Koppemann	Sasser
Fenton	Kunkel	Savage
Fernandez	Landis	Sheridan
Fisher	Lane	Simpson, Ill.
Flannagan	Lanham	Smith, Maine
Flood	Larcade	Smith, Va.
Fogarty	Lea	Smith, Wis.
Folger	LeCompte	Snyder
Forand	LeFevre	Sparkman
Fuller	Lesinski	Spence
Fulton	Lewis	Springer
Gallagher	Link	Starkey
Gamble	Luce	Stevenson
Gardner	Ludlow	Stigler
Gary	Lytle	Sullivan
Gathings	Lynch	Summers, Tex.
Gavin	McConnell	Sundstrom
Gearhart	McCormack	Taber
Gerlach	McCowan	Talbot
Gibson	McDonough	Talle
Gifford	McGehee	Tarver
Gillespie	McGlinchey	Thom
Gillette	McGregor	Thomas, N. J.
Gillie	McKenzie	Thomas, Tex.
Goodwin	McMillen, Ill.	Thomason
Gordon	Madden	Tibbott
Gore	Mahon	Tolan
Gorski	Maloney	Torrens
Gossett	Manasco	Towe
Graham	Mansfield, Tex.	Traynor
Granahan	Marcantonio	Trimble
Granger	Martin, Mass.	Vinson
Green	May	Voorhis, Calif.
Gregory	Michener	Vorys, Ohio
Griffiths	Miller, Calif.	Wadsworth
Gross	Mills	Wassilewski
Gwinn, N. Y.	Monroney	Weaver
Hagen	Morgan	Weiss
Hale	Mott	West
Hall,	Mundt	Whittington
Edwin Arthur	Murdoch	Wickersham
Hall,	Murphy	Wigglesworth
Leonard W.	Murray, Tenn.	Wilson
Halleck	Murray, Wis.	Winstead
Hancock	Neely	Wolcott
Hare	Norrell	Wolffenden, Pa.
Harless, Ariz.	Norton	Wolverton, N. J.
Harness, Ind.	O'Brien, Ill.	Wood
Harris	O'Brien, Mich.	Woodhouse
Hartley	O'Neal	Woodrum, Va.
Havener	O'Toole	Worley
Hays	Outland	Zimmerman

NOT VOTING—77

Andersen,	Bradley, Pa.	Dawson
H. Carl	Erumbaugh	Dirksen
Andreen,	Buck	Domengeaux
August H.	Eurch	Drewry
Bailly	Canfield	Durham
Baldwin N. Y.	Cannon, Fla.	Earthman
Bloom	Carlson	Eaton
Bonner	Cason	Elaesser
Boren	Cole, N. Y.	Geelan
Bradley, Mich.	Cooley	Grant, Ala.

Grant, Ind.	Martin, Iowa	Sikes
Hand	Morrow	Simpson, Pa.
Hart	Miller, Nebr.	Slaughter
Hébert	Morrison	Somers, N. Y.
Hess	Peterson, Fla.	Stefan
Hobbs	Ploeser	Stewart
Hollifield	Plumley	Stockman
Jarman	Price, Ill.	Taylor
Jensen	Rabaut	Walter
Johnson, Calif.	Reece, Tenn.	Weichel
Johnson, Ind.	Rivers	Welch
Johnson	Roe, N. Y.	White
Lyndon B.	Sabath	Whitten
LaFollette	Sadowski	Winter
Latham	Shafer	Woodruff, Mich.
McMillan, S. C.	Sharp	
Mansfield,	Sheppard	
Mont.	Short	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Miller of Nebraska for, with Mr. H. Carl Andersen against.

Mr. Short for, with Mr. Dirksen against.

General pairs until further notice:

Mr. Whitten with Mr. Ploeser.	Mr. Rabaut with Mr. Stefan.	Mr. Hollifield with Mr. Martin of Iowa.	Mr. Sheppard with Mr. Johnson of Indiana.	Mr. Jarman with Mr. Grant of Indiana.	Mr. Price of Illinois with Mr. Canfield.	Mr. Sikes with Mr. LaFollette.	Mr. Drewry with Mr. Brumbaugh.	Mr. Domengeaux with Mr. Bradley of Michigan.	Mr. Hobbs with Mr. Plumley.	Mr. Roe of New York with Mr. Weichel.	Mr. Slaughter with Mr. Merrow.	Mr. Peterson of Florida with Mr. August H. Andersen.	Mr. Somers of New York with Mr. Woodruff of Michigan.	Mr. Cannon of Florida with Mr. Taylor.	Mr. Bloom with Mr. Hand.	Mr. Cooley with Mr. Shafer.	Mr. Durham with Mr. Hess.	Mr. Bonner with Mr. Reece of Tennessee.	Mr. Grant of Alabama with Mr. Jensen.	Mr. Morrison with Mr. Carlson.	Mr. Rivers with Mr. Baldwin of New York.	Mr. Hart with Mr. Stockman.	Mr. Bradley of Pennsylvania with Mr. Eaton.	Mr. Burch with Mr. Clason.	Mr. Walter with Mr. Simpson of Pennsylvania.	Mr. Hébert with Mr. Cole of New York.	Mr. Sabath with Mr. Johnson of California.
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Mr. HAGEN changed his vote from "present" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SABATH. I was on the floor of the House and was listening and did not hear my name. I stepped out for a minute and discussed a matter of business with the gentleman from Massachusetts [Mr. McCORMACK]. I came back and tried to vote and I find I am not recorded. I desire to be recorded as voting "no."

The SPEAKER. The Chair is doubtful that the gentleman qualifies for a vote.

Mr. SABATH. I have been here right along and I did not hear my name called. Then later on when I came back it was too late.

The SPEAKER. After the announcement of the vote the Chair feels the gentleman does not qualify.

The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 345, nays 18, answered "present" 1, not voting 68, as follows:

[Roll No. 98]

YEAS—345

Abernethy	Douglas, Ill.	Jenkins
Adams	Doyle	Jennings
Allen, Ill.	Dworshak	Jensen
Allen, La.	Eberhart	Johnson, Ill.
Anderson, Calif.	Elliott	Johnson
Andrews, Ala.	Ellsworth	Luther A.
Andrews, N. Y.	Elsaesser	Johnson, Okla.
Angell	Elston	Jonkman
Arends	Engel, Mich.	Judd
Arnold	Engle, Calif.	Kean
Auchincloss	Ervin	Kearney
Baldwin, Md.	Fallon	Kee
Baldwin, N. Y.	Feighan	Keefe
Barden	Fellows	Kefauver
Barrett, Pa.	Fenton	Kelley, Pa.
Barrett, Wyo.	Fernandez	Kelly, Ill.
Barry	Fisher	Keogh
Bates, Ky.	Flannagan	Kilburn
Bates, Mass.	Flood	Kilday
Beall	Fogarty	King
Beckworth	Folger	Kinzer
Bell	Forand	Kirwan
Bender	Fuller	Kopplemann
Bennet, N. Y.	Fulton	Kunkel
Bennett, Mo.	Gallagher	Landis
Biemiller	Gamble	Lane
Bishop	Gardner	Lanham
Blackney	Gary	Larcade
Bland	Gathings	Latham
Bolton	Gavin	Lea
Boykin	Gearhart	LeCompte
Brehm	Geelan	LeFevre
Brooks	Gerlach	Lesinski
Brown, Ga.	Gibson	Lewis
Brown, Ohio	Gifford	Link
Bryson	Gillespie	Luce
Buckley	Gillette	Ludlow
Bulwinkle	Gillie	Lyle
Bunker	Goodwin	Lynch
Burgin	Gordon	McConnell
Butler	Gore	McCormack
Byrne, N. Y.	Gorski	McCowan
Byrnes, Wis.	Gossett	McDonough
Camp	Graham	McGehee
Campbell	Granahan	McGlinchey
Cannon, Mo.	Granger	McGregor
Carnahan	Green	McKenzie
Case, N. J.	Gregory	McMillen, Ill.
Case, S. Dak.	Griffiths	Madden
Celler	Gross	Mahon
Chapman	Gwinn, N. Y.	Maloney
Chief	Hagen	Manasco
Chenoweth	Hale	Mansfield, Tex.
Chipewick	Hall	Marcantonio
Church	Edwin Arthur	Martin, Mass.
Clark	Hall	May
Clements	Leonard W.	Michener
Cochran	Halleck	Miller, Calif.
Coffee	Hancock	Mills
Cole, Kans.	Hare	Monroney
Cole, Mo.	Harless, Ariz.	Morgan
Colmer	Harness, Ind.	Mott
Combs	Harris	Mundt
Cooper	Hartley	Murdock
Corbett	Havenner	Murphy
Courtney	Hays	Murray, Tenn.
Cox	Healy	Murray, Wis.
Cravens	Hedrick	Neely
Crawford	Heffernan	Norrell
Crosser	Hendricks	Norton
Cunningham	Henry	O'Brien, Ill.
Curley	Herter	O'Brien, Mich.
Curtis	Hecelton	O'Neal
D'Alesandro	Hill	O'Toole
Daughton, Va.	Hinchaw	Outland
Davis	Hoch	Pace
Dawson	Hoeven	Patman
De Lacy	Hoffman	Patrick
Delaney	Holmes, Mass.	Patterson
James J.	Holmes, Wash.	Peterson, Ga.
Delaney	Hook	Pfeifer
John J.	Hope	Philbin
Dickstein	Horan	Phillips
Dingell	Howell	Pickett
Dolliver	Huber	Pittenger
Dondero	Hull	Poage
Doughton, N. C.	Izac	Powell
Douglas, Calif.	Jackson	Powers

Price, Fla.	Sabath	Tibbott
Priest	Sadowski	Tolan
Quinn, N. Y.	Sasser	Torrens
Rabin	Savage	Towe
Rains	Sheridan	Traynor
Ramey	Simpson, Ill.	Trimble
Ramspeck	Smith, Maine	Vinson
Randolph	Smith, Va.	Voorhis, Calif.
Rankin	Smith, Wis.	Vorys, Ohio
Rayfield	Snyder	Vursell
Reed, Ill.	Somers, N. Y.	Wadsworth
Rees, Kans.	Sparkman	Wasielewski
Rea	Spence	Weaver
Richards	Springer	Weiks
Riley	Starkey	West
Robertson	Stevenson	Whittington
N. Dak.	Stigler	Wickersham
Robertson, Va.	Sullivan	Wigglesworth
Robinson, Utah	Summers, Tex.	Wilson
Rockwell	Sundstrom	Winstead
Rodgers, Pa.	Taber	Wolcott
Roe, Md.	Talbot	Wolfenden, Pa.
Rogers, Fla.	Talle	Wolverton, N. J.
Rogers, Mass.	Taylor	Wood
Rogers, N. Y.	Tarver	Woodhouse
Rooney	Thom	Woodruff, Mich.
Rowan	Thomas, N. J.	Woodrum, Va.
Russell	Thomas, Tex.	Worley
Ryter	Thomason	Zimmerman

NAYS—18

Buffett	Lemke	Robison, Ky.
Clevenger	Mason	Schwabe, Mo.
Ellis	O'Hara	Schwabe, Okla.
Gwynne, Iowa	Reed, N. Y.	Scrivner
Jones	Rich	Smith, Ohio
Knutson	Rizley	Sumner, Ill.

ANSWERED "PRESENT"—1

O'Konski

NOT VOTING—68

Andersen	Earthman	Ploeser
H. Carl	Eaton	Plumley
Anderson	Grant Ala.	Price, Ill.
N. Mex.	Grant, Ind.	Rabaut
Andresen	Hand	Reece, Tenn.
August H.	Hart	Rivers
Bailey	Hébert	Roe, N. Y.
Bloom	Hess	Shafer
Bonner	Hobbs	Sharp
Boren	Hollifield	Sheppard
Bradley, Mich.	Jarman	Short
Bradley, Pa.	Johnson, Calif.	Sikes
Brumbaugh	Johnson, Ind.	Simpson, Pa.
Buck	Johnson	Slaughter
Burch	Lyndon B.	Stefan
Canfield	Kerr	Stewart
Cannon, Fla.	LaFollette	Stockman
Carlson	McMillan, S. C.	Walter
Clason	Mansfield,	Weichel
Cole, N. Y.	Mont.	Welch
Cooley	Martin, Iowa	White
Dirksen	Merrow	Whitten
Domengeaux	Miller, Nebr.	Winter
Drewry	Morrison	
Durham	Peterson, Fla.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. H. Carl Andersen for, with Mr. Miller of Nebraska against.

Mr. Dirksen for, with Mr. Short against.

Mr. Price of Illinois for, with Mr. O'Konski against.

Additional general pairs:

Mr. Bailey with Mr. Winter.	Mr. Earthman with Mr. Shafer.	Mr. Boren with Mr. Welch.	Mr. Lyndon B. Johnson with Mr. Buck.	Mr. McMillan of South Carolina with Mr. Johnson of California.	Mr. Mansfield of Montana with Mr. Canfield.
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Mr. O'KONSKI. Mr. Speaker, I voted no. I have a live pair with the gentleman from Illinois [Mr. PRICE]. Therefore, I withdraw my vote and answer present.

Mr. HOFFMAN changed his vote from "nay" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BLAND. Mr. Speaker, if any of the following gentlemen have failed to respond to their names on the roll calls just had or any other roll calls today, Friday, or Saturday, I desire to announce that they are absent on official business, attending the meeting of the Board of Visitors of the Merchant Marine Academy at Kings Point. I refer to the gentleman from Florida [Mr. PETERSON], the gentleman from Louisiana [Mr. DOMENGEAUX], the gentleman from Washington [Mr. JACKSON], the gentleman from New York [Mr. KEOGH], the gentleman from California [Mr. WELCH], the gentleman from Ohio [Mr. WEICHEL], and the gentleman from New York [Mr. BUCK].

LEGISLATIVE BRANCH APPROPRIATION BILL, FISCAL YEAR 1946

Mr. SABATH. Mr. Speaker, I call up House Resolution 287 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 3109) making appropriations for the legislative branch for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, and the same is hereby taken from the Speaker's table to the end that all Senate amendments be, and the same are hereby, agreed to.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes. After I will have used 10 minutes I shall then yield to my genial colleague from Ohio [Mr. BROWN].

Mr. Speaker, this resolution makes in order the legislative branch appropriation bill as amended by the Senate. It leaves all of the House provisions as they were originally passed by the House.

A great deal of publicity has been given to this matter because the Senate has not agreed to the acceptance of the needed expense allowance provided for in the bill. However, I am informed that they have provided for their extra expenses in a different way which is equivalent to the \$2,500 House allowance. When all is considered I believe the amount the Senate has voted—not directly as has the House—will approximate the House allowance.

The unfavorable publicity given this matter has continued in the news articles of some newspapers notwithstanding that most of them in their editorials have maintained that congressional salaries are too low and have advocated and recommended a salary increase. Many newspapers have given a great deal of publicity to the reports of independent organizations which endorse and urge that the salaries of Members of Congress should be increased even up to \$25,000 a year. I cannot help but feel that the position taken by those newspapers who have editorially supported an increase in congressional salaries and who now assail or criticize the action of the House and give the matter great publicity in their current news articles, is uncalled for.

Mr. Speaker, when I first entered this House the salary of Members was \$5,000. It was then increased to \$7,500, and later to \$10,000. This increase gives the

membership an additional \$2,500 to defray the extraordinary expense to which they have been and are subjected. I know that the work of the Members is five times as great as it was when I entered the House and I know the expense of each and every Member is two or three times as great as it was years ago. Personally I admit that I can get along without this extra allowance notwithstanding that over \$2,000 is taken away from each and every Member of the House in income tax, and notwithstanding that some of these writers and people believe that we are not obliged to pay the income tax; but I can get along. There are, however, many Members with large families who are under tremendous expense, maintaining homes both in their congressional districts and here in Washington and in view of the ever increasing cost of living. They cannot get along so well and they are entitled to this additional expense allowance. It will not increase their salary but it will only meet the additional expense to which they have been and are subjected.

You are familiar with my efforts in behalf of the white-collar workers in obtaining an increase in their salaries and wages and, in some instances I have been able to obtain fair advances for them, but not as much as I desired. I shall continue to exert my efforts in that direction.

The criticism, as I observed, against our original action does not come from that source, but from those whose salaries are double, triple, and even ten times greater than the salary of Members of Congress. I have a list of several thousand business executives who are drawing salaries of \$50,000 or more a year, not mentioning what they receive in the way of dividends, bonuses, and so forth, and I venture to say that very few of them possess any greater ability or work harder than the Members of this House.

The question has been raised that the membership did not have an opportunity to vote directly on this legislation. Well, it will have a chance to do so today and all those who feel they are not entitled to more than the present salary provided can vote against this resolution. It is my opinion that an unfavorable vote would place the membership of the House in a ridiculous position as not having courage enough to stand by their original action. The action previously taken by the House has been approved by the Senate and cannot now be altered. Oh, I appreciate that some of the Members may vote against the resolution to agree to the Senate amendments and that body's approval of the \$2,500 extraordinary expense allowance to Members of the House. Some Members stated to me that the expense allowance should have been at least \$5,000. To this I cannot subscribe at this time and I believe that it should not be voted until we also take care of many underpaid wage earners and employees.

Mr. Speaker, during my recent illness I had an opportunity to reread and familiarize myself with the history of legislation from the colonial days of the Constitutional Convention up to the present time. More than ever, as a result

of that research, do I realize that the country had at that time some outstanding, capable, and patriotic men as Presidents, members of the Cabinet, and in the Congress, and there were some perhaps who were not as broad or liberal minded as others. I say, however, without fear of contradiction that the membership of this House today in proportion contains just as much ability, energetic effort, and patriotism as at any time in the history of our country. It is true that no one under the sun is perfect. We all make mistakes and have our shortcomings, but I know, Mr. Speaker, when the history of this Congress is written many men in this House will receive the same credit and will stand out in the same favorable way as the great leaders of years gone by.

Of course, we have capable men with whom we do not always agree, but I would not charge them with not being honest. From a reading and rereading of the history of the Nation I know that there are certain sectional issues that always creep in. That occurred even in the Constitutional Convention. Consequently we should not blame from time to time some of our Republican friends who may feel that certain interests are entitled to first consideration. We on this side differ with them. We always give preference to personal rights over property rights. We believe that the masses of the people of America are entitled to first consideration by the Congress, and not the interests of a favored few, as some people always desire. Our considerations should be first in the interest of the general good and welfare of our Nation. I therefore feel at this time that the present legislation deserves favorable consideration and I hope that a majority of the Members will be courageous enough, notwithstanding some of the unfair attacks that have been made from time to time, to vote according to their conscience and what they believe is right and just for the best interest of the country.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, House Resolution 287, as the chairman of the Rules Committee has already stated, simply makes in order and provides for the adoption of the Senate amendments to H. R. 3109, an act to make appropriations for the legislative branch of the Government for the year ending June 30, 1946.

The issue which may well be drawn into the debate on this rule is whether or not the measure should be returned to the Appropriations Committee for further consideration of a single item in the House portion of the bill, to wit, the item which provides for an appropriation of \$2,500 per year as reimbursement to the Members of the House for expenditures made by them in transacting official business.

In this connection I believe it should be pointed out that the House has already passed on that expense-item question. It should also be recalled the legislative subcommittee of the Committee on

Appropriations recommended this item originally; that later the full Committee on Appropriations recommended the same; that the Committee on Appropriations directed the chairman of the subcommittee and other members of the Committee on Appropriations to appear before the Committee on Rules and ask for a rule making in order this particular item. After 2 days of public hearings, that rule was granted. About 3 weeks ago the rule was brought to the floor of the House, and it was debated for 1 hour. The bill itself was then debated for 2 hours. Further debate under the 5-minute rule was carried on for an additional 3½ hours, or for a total of 6½ hours of debate on the entire question. It was plainly and clearly stated that if you were in favor of the expense item you would vote for the rule, because the only reason in the world why the rule was before the House was to make that particular item in order, and that if you were opposed to the expense allowance you would vote against the rule. A roll-call vote was had on the rule, and every Member of the House had an opportunity to go on record.

Then an amendment was offered to strike out this particular item from the bill, and that was overwhelmingly defeated. Again, an attempt was made to defeat the entire bill, and the House by a very heavy majority approved the bill. The bill then went to the Senate, where these Senate amendments now under consideration were introduced and adopted.

In this connection let me say that the Senate for a long time now has been taking care of the expenses of its membership through the use of a contingent fund, and by other appropriations contained in the legislative appropriation bill. The House has not done so. Instead the House, in its wisdom, decided to appropriate \$2,500, as a top limit to each individual Member, as its method of reimbursing the membership for the expenditures made in behalf of their constituents and on official business only. It should be borne in mind that this fund is appropriated and can be used only for reimbursing a Member for expenditures actually made in the transaction of public business. The Senate follows an entirely different procedure. There each Member is allowed long-distance telephone calls at Government expense. They have a lump-sum appropriation to be used when away from their offices. They have a contingent fund amounting to \$401,000 against which various charges are made, and perhaps rightly so. The House has no such privileges or allowances.

But what I want to make clear is this: The Senate has its method of reimbursing its membership for their expenses. That method has been in use for many years. The appropriation for those Senate expenses was increased this time. The House has adopted its own method of reimbursing its Members, and the question before this House today is whether or not we shall follow the rule of comity that has always existed in Congress and accept the Senate amendments.

The vote on this rule does not directly affect the \$2,500 item. The only way—and I want to be absolutely fair about it—that item could be possibly affected would be for the rule to be voted down and the measure sent back to the Committee on Appropriations. It is hard to believe that the Committee on Appropriations, which has passed on this matter at least twice in the past, would reverse its position on this item if the bill was referred back to it.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Kentucky.

Mr. MAY. If I understand the gentleman's statement, the parliamentary situation is that if the rule we are now considering is defeated, it would automatically send the Senate amendments, providing for their own membership and their own employees, back to the House Committee on Appropriations.

Mr. BROWN of Ohio. I think, to be absolutely correct, that the bill would go back to the Speaker's table and the Speaker, in turn, would refer it to the House Committee on Appropriations.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the gentleman from Ohio [Mr. Brown] has in the main made a correct statement as to what has transpired in reference to this increase in compensation or expense, or whatever you designate it. There are some phases of his remarks, however, that are subject to amplification.

In the first place, the Committee on Appropriations placed in an appropriation bill without authority of law an item providing for \$2,500 additional compensation for Members of the House; that is, the Congress had never in the regular way considered or passed upon this additional allowance. The regular way would have been to consider the proposal in a legislative committee and then debate and vote upon the proposal in the House, just the same as any other legislation. However, the Committee on Appropriations saw fit to add this amount, which was subject to being stricken from the bill if any one Member of the House objected. In order to foreclose any such freedom of action on the part of the House, the Committee on Appropriations, by a vote of 17 to 13, as the Rules Committee was advised, made application for a rule insulating the item in the appropriation bill against points of order. The Rules Committee, by a majority vote, authorized the rule, and when it was before the House for discussion, it is true that the able gentleman from Ohio [Mr. Brown] expressed the view that a vote for the rule was a vote for or against the \$2,500 increase. On the other hand, the able gentleman from Georgia [Mr. Cox], who was in charge of the rule, advised the House that the purpose of the rule was to bring the \$2,500 item before the House for consideration, so that discussion might be had and a vote assured on the part of the membership. I do not know which one of these two statements was most persuasive, because both of the

gentlemen are usually quite accurate. However, there was a difference of opinion. Some Members of the House, who were much opposed to the \$2,500 additional allowance, voted against the rule on the roll call, and did so in the belief that they would have an opportunity to have a roll-call vote on the advisability of the increase.

In my opinion, there has been no clean-cut vote on this question. If there had been any such vote, then this rule today would not be necessary. In short, we must all agree that the vote on the pending rule will be a direct vote on whether or not the Member voting desires to approve this \$2,500 expense allowance in the manner provided. Possibly some will argue that the House has already passed on this item but without a roll call vote, and that the Senate, by a small margin on a roll call vote also passed the item. Therefore, it is not in controversy at this time. Technically that is correct, but as a matter of fact we all know why we are going to have a roll call today. This roll call is all the Members who oppose this additional appropriation desire. Ours is a rule by the majority. There should never be any effort to avoid going on record on controversial legislative matters, and I feel sure that when all the members think this thing through they must agree with this philosophy.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I am sorry but I only have 5 minutes. If the gentleman from Mississippi can get me some additional time I shall be most happy to yield.

The merits of the proposed increase are not in question today. Debate and discussion here will make no difference in the vote when the roll is called. This is not a complicated, involved, or difficult problem. Possibly I go a little too far when I say that it is not a "difficult" problem. What I mean is that we all know what it is all about.

The House passed this appropriation bill, and the Senate added a few amendments. There is no dispute anywhere as to the Senate amendments, and their ratification by the House is only a formality. The "milk in the coconut" is a roll-call vote on the item which is not technically in dispute but which in fact is the only matter in controversy.

If this rule is voted down, then, as suggested by the gentleman from Ohio, the bill will go back to the Committee on Appropriations. That committee then can eliminate this controversial item and report out the remainder of the present bill in a new bill. This new bill can be agreed to unanimously by the House and by the Senate, and go to the White House. Or, the Committee on Appropriations can investigate further the non-controversial items added by the Senate. Regardless of the action taken on this rule, the decision here made will in my opinion settle the matter.

If we are to be guided by editorial and columnist comment, it would seem clear that the preponderance of opinion in the country is that the salary of Members of Congress should be increased but that

the increase should be made a part of the regular compensation, subject to taxation, the same as the present salary, and not retroactive in effect, and not in excess of increases in wages allowed in other activities, in conformity with the Little Steel formula. It seems to me that this is a logical conclusion and I shall vote accordingly.

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I endeavored to get the gentleman from Michigan to yield to me merely to clarify the parliamentary situation. I think he has since clarified it. I do not think there is any misunderstanding about this. Those who believe that this expense account should be allowed will vote aye on the rule. Those who think to the contrary will vote no. I think it is a matter entirely within the province of this House to pass upon, and the rule has been brought out for that purpose.

Mr. Speaker, when this same matter of the pay increase was before the House originally I stated my position then, in part, as follows:

I might also add that I regret the necessity of voting against this rule on the legislative appropriation bill. But I feel compelled to do so for the reason that I think it is a mistake for Members of Congress to raise their income, either direct or indirectly, at a time when we are all trying to hold the line against inflation. And certainly if we as Members do that we make ourselves vulnerable when all other groups request additional compensation. The vote on the rule will be the test.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, I wish to compliment the gentlemen from Illinois, Michigan, and Mississippi upon clarifying the pending issue. There is only one issue pending here, as they have well pointed out. That is whether or not you desire upon final consideration to provide this \$2,500 expense item for yourselves. Except for that issue this rule would not be pending. I know I cannot say to you anything which transpired before the Committee on Appropriations. But I can say to you that in a public hearing before the Committee on Rules on yesterday it was developed without contradiction that the Committee on Appropriations first, by a vote of 13 to 12, decided to ask the Committee on Rules to include in this rule a provision for a direct vote on the \$2,500 expense item. Adjournment of the committee was then had, and the next day it was carefully explained by proponents of the proposition that a vote on the rule, this rule, would be in substance a vote on the question of whether or not Members desire to provide for themselves this \$2,500 item. I know of at least one gentleman in the Committee on Appropriations who changed his position by reason of that representation having been made to him. The committee then reversed its action in asking a separate vote on the expense item by a vote of 17 to 13.

On yesterday, when I appeared before the Committee on Rules and asked for the inclusion in the rule of a provision for

a separate vote on this particular item, it was explained by the chairman and by other members of the committee that in their judgment a vote on this rule is a vote on the \$2,500 item, in substance. So I think there can be no reasonable question about that. It is not a direct vote but it is an indirect vote. This is decision day. If you adopt this rule you send this bill to the White House and you provide for yourselves the \$2,500 in expenses. If you vote down this rule you send the bill back to the Committee on Appropriations and that committee can take either one of two courses: It can bring this bill back to the House for action on the Senate amendments or it can table the bill and report out a new bill leaving out the item which the House has provided for itself in the original bill, and perhaps leaving out some of the items which the Senate has provided for itself.

In other words, the entire bill could receive and would receive the further consideration of the Committee on Appropriations. But if you vote for this rule, and if it is adopted, the \$2,500 will be provided by law, unless the President vetoes the bill, as I hope he would do. But if you vote against the rule you will, in substance, be voting not to have this \$2,500 paid to yourselves, because I feel assured that the Committee on Appropriations would accept that as an expression of opinion on the part of the House that the money ought not to be provided and that it would then take such action as might be necessary in order that it might not be provided. I do not desire to discuss again the merits of the issue. I did that when I opposed this provision upon its original passage. In the Appropriations Committee, in the Rules Committee, and on the floor I have opposed it in every way possible.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. As a matter of fact, there is only 1 hour of discussion on this rule, and if the rule is adopted the bill then goes to the White House without further debate; is that not true?

Mr. TARVER. If the rule is adopted, it is the last legislative step necessary in order to make this money available to the Members. If it is defeated it means that the money will not be available to you. So that the issue is crystal clear. If you want the \$2,500, vote for the rule. If you are opposed to it, vote against the rule. Call the roll.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, I am not here today to discuss the merits of this measure. Clearly I think that by this time every Member of the House of Representatives should understand that a vote for this rule means a vote in favor of the \$2,500 expense allowance. A vote against the rule means that you are opposed to the legislation.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. Yes; I yield.

Mr. BREHM. Is it not true that up to this minute the only opportunity this House has had to vote for or against this \$2,500 was on the Tarver amendment which had as its purpose the striking of this item from the legislative appropriation bill?

Mr. BULWINKLE. That is correct.

I want to say to you just this: Let me remind you that once before in the history of Congress they passed a retroactive increase-of-pay bill. That was during the administration of President Grant. The increases were for the Congress and for the President and Vice President. That bill was passed in the early part of March in a new session. By January of the following year, 1874, the country was so opposed to anything like it that the Congress passed a bill repealing the act of 1873.

So I say, today will you have to decide whether under this rule you are in favor of legislation which gives you retroactive expense money, if you please, or whatever its name may be, to the first of January, and whether or not you want legislation exempting that amount from taxation.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON of Virginia. Mr. Speaker, when the rule making the \$2,500 expense item in the appropriation bill is in order, I voted against the rule, and likewise against the bill on final passage. Some at that time may not have realized it, but I fully realized that a vote against that rule was a vote against the item in question. I shall vote against this rule and I hope it will be defeated. I approach it from the standpoint of one serving on the committee that must levy the taxes. I helped draft the Revenue Act of 1943. Those who were in Congress then voted for it. I realize it increased our taxes about 400 percent, but there are those of smaller incomes than ours whose taxes were increased 600 percent. What sticks in the bark of the press and the taxpayers is entering the back door instead of the front door with a \$2,500 item that is intended to be tax free.

If we defeat this rule the matter goes back to the committee where it can be amended and reconsidered. I understand that already a direct approach to this problem is being had in the preparation of another bill. A member of the Committee on Appropriations told me that in his opinion this would only be temporary and that the Congress would repeal this by the next bill and go at the matter right. I say let us go at the matter right—now. Do not embarrass the members of the tax committee who cannot give this advantage to Tom, Dick, and Harry, who have to pay taxes, the tax advantage we propose to take for ourselves. Send this bill back to the committee. Let them take this item out. That is the only purpose of this rule. Then we can approach in a straightforward way what is the proper compensation for Members of Congress, and take action on it that will meet with public approval.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, it seems just silly, foolish, and absurd for the Congress to follow the course it has followed since 1932, wasting money on almost every conceivable project, sending billions of dollars abroad and then refuse to reimburse its Members for expenses actually paid out in performing their official duties. I sympathize deeply with and I feel sorry for all those Members whose consciences hurt them because they anticipate they may be forced to take this \$2,500. For myself, I want none of it; and I am filing with the disbursing officer one of these so-called directives which authorizes and directs him to pay back into the Treasury of the United States any part of that \$2,500 which comes to me. That directive is in words and figures as follows:

JUNE 7, 1945.

HON. KENNETH ROMNEY,

Sergeant at Arms,

House of Representatives,

Washington, D. C.

MY DEAR MR. ROMNEY: You are hereby authorized and directed, as disbursing officer, to pay into the Treasury of the United States any and all sums which may come into your hands and which may be placed to my credit prior to January 1, 1946, on account of the appropriation of the sum of \$1,642,500, as carried in H. R. 3109.

This authorization and directive applies only to the so-called \$2,500 Congressional expense item.

CLARE E. HOFFMAN,

Representative in Congress, Fourth District, Michigan.

In presence of Helen M., Boyer, Annabell Zue.

This statement is being filed by me, this course followed, for reasons which are compelling and sufficient, but so far as I know, they do not apply to any other Member of the House. My action is not to be construed by anyone as indicating what others who favor or oppose this rule should do. I speak only for myself and I repeat, for reasons which, so far as I know, do not apply to any other Member of the House, this action is taken.

I know that the Members of Congress have been discriminated against by the revenue department all down through the years on their income-tax returns and have been denied reductions which every other earner of income in the United States received.

I believe that a man is worthy of his hire. I know of my personal knowledge that many Members of the House earned two and three times as much at home before they came down here as they receive while here. If the people of my district do not want me to represent them in Congress any more because I voted that the Members should have this \$2,500 which will in part and only in part reimburse them for expenses paid out, that is up to them, I am not going to be frightened into voting against this rule by any newspapers or any pressure organizations which falsely say that I am trying to fatten my own income. The directive filed as above shows I will get none of it. I say the Members of this

body are entitled to this allowance and if they do not get it today, and that is what this is about, I would like to say, if ethics, or courtesy, or whatever it may be called, does not prevent—and that is this: We lack courage or we take the course of the least possible criticism if we refuse to allow items of expense which are given to every employee of every private enterprise.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, the legislative appropriation bill that was before the House some days ago contained a provision allowing each Member of the House a sum not to exceed \$2,500 annually to cover actual official expenses of each Member. An amendment was offered to strike this \$2,500 from the bill. I voted in favor of that amendment. A very substantial majority voted for the amendment and it was included in the general legislative appropriation bill as it passed the House. The bill then went to the Senate, but the Senate did not disturb this \$2,500 item. The Senate did include in the bill certain items of expense allowances for the Members of the Senate. One of these allowed as much as \$1,800 a year for long-distance telephone, and it allowed other items, and \$400,000 for miscellaneous. These allowances and expenses of the Senate would exceed on the average approximately \$5,000 for each Senator. After the Senate action the bill then came back to the House.

A resolution is now before us which, if adopted, would in effect send this legislative appropriation bill to the President and it will include the \$2,500 official expense allowances annually for each Member and the allowances provided in the bill for the Members of the Senate. If this resolution is defeated, the bill will then likely go back to the Appropriations Committee for further investigation and for such action of the Appropriations Committee as may be deemed appropriate by that committee. It has been made clear by both those favoring this \$2,500 allowance and those opposed to it that a vote in favor of this resolution is a vote for the \$2,500 official-expense allowance. And those who are opposed to the \$2,500 allowance will vote against the resolution.

I voted for the amendment cutting out this \$2,500 item when the bill was up in the House the other day, and when a vote is taken on this resolution I shall vote against it. We did not have an opportunity the other day to go on record, and I am very glad that we shall have an opportunity today to go on record in opposition to this \$2,500 allowance. I oppose it for a number of reasons. One is the manner in which the proposal has been handled and presented to the House; another is, I want our country to avoid all expenses possible, and I have what I consider other valid reasons, but I do not agree that there were any under-cover or any unfair practices in bringing this question before the House. Neither do I agree that it is an increase in a Member's salary. The bill expressly provides that this \$2,500 is allowed to take care of

the actual, necessary official expenses of Members of the House incident to the efficient conduct of their official duties.

The erroneous impression has gone out that Members of the House under this provision would receive expense allowances that had been denied to Members of the Senate. It is true that the House has never before been allowed the outlay for necessary official expenses. The Senate has enjoyed such rights for many years and in the legislative appropriation bill in question they were granted increases equal to or greater than the amount provided in the bill for Members of the House, and this was in addition to the expense allowances they are now and have been receiving for a number of years, and let it be understood that I am not in any sense condemning or criticizing such allowances for Members of the Senate. I am assuming that they are just and proper. It is, however, unfair to the House for the report to be broadcast that the House is seeking some benefits which are not enjoyed by the Senate even to a greater degree.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. BROWN of Ohio. May I inquire if the gentleman was not a Member of the United States Senate for sometime?

Mr. ROBSION of Kentucky. Yes, I had the honor of being a Member of that great body, and from what I learned then and from what I know now the Senators have allowances voted by Congress to them that exceeds this allowance to Members of the House.

THE PROPONENTS CLAIM

The proponents of this \$2,500 allowance claim and have set forth in definite items that on the average members of the House are required to pay out \$2,500 or more in necessary and actual expenses to carry out efficiently their official duties. They insist that the average Member of Congress has and must maintain a home in his district. He must have a home here for himself and his family as he spends nearly all of the year here at Washington. He must either invest his own capital and buy a home in which to live or he must rent a home. That will cost him and his family approximately \$2,000 or \$2,400 a year and they state that is an expense made necessary by reason of his official duties.

There are hundreds and hundreds of Government agencies scattered over the metropolitan area of 1,300,000 people and these agencies must be visited from time to time in looking after the interest of his constituents. Some members make from 80 to 100 miles a day. They must have a car, gasoline, and oil, and the member must maintain his car. There is no accommodations for members of the House and their families that live near the Capitol or at least not many of them can find accommodations near the Capitol. Some of them are forced to find homes 5, 6, and 8 miles from the Capitol. He must have a car to go back and forth to his place of business. Members of the House must pay for a great many long-distance calls out of their own funds. In this bill each Member of the Senate is allowed \$1,800 a year for

long-distance calls alone. They urge that while a Member is allowed mileage for a roundtrip for himself he must of necessity bring his wife and children, and he must make several trips to his district and back each year if he looks after, efficiently, his constituents on matters pertaining to his district. If he sends out any speeches to his constituents he must pay for the printing of these speeches and hire extra help to address them, and when he sends out 20,000 or 30,000 letters to his district enclosing matters of interest to his constituents he must hire people to address the envelopes and put the material in in the envelopes and they insist there are a great many more items of expense that run into many hundreds of dollars each year that each Member must pay out of his own pocket, and not including any of his living expenses in the most expensive city in the Nation.

I might say that I have observed the business of a Member of Congress growing by leaps and bounds, and especially in the last 10 years, and I can sympathize with Members who pay out these large sums of money for his actual and necessary expenses in carrying on their official duties, and I agree that this should not be the case. Members of the House should be placed on an equal footing with Members of the Senate. I am now talking about expenses that they would not have to incur except for carrying out their official duties and expenses they would not incur if they were carrying on their business as lawyers, doctors, farmers, businessmen, and so forth, if they were at their homes. Congress votes money to the various executive offices of the Government as well as others whose salaries are \$10,000 or more necessary to meet all official expenses, including travel, and for such time as they may be away from home on their official business, and they are furnished cars, gas, oil, and the necessary upkeep, and they do not have the multitude of expenses that Members of Congress have. The life of a Member of the House and Senate must necessarily be a very active one. He must meet a multitude of problems every day, and if he efficiently represents his constituents—and the average Member of Congress is a hard-working person—he must be busy every day and frequently at night and many times on Sunday, and with these burdens he must conserve his health and energy, and have a place to live with home surroundings, and should receive such compensation as is reasonable and just, and should not be required to take out of his salary legitimate, actual, and necessary expenses to carry on his official duties.

GREAT CHANGE SINCE 1925

The present congressional salary was fixed in 1925. Since that time Congress has voted increases in pay for Government officials and workers. The wages of workers in the factories, mines, shops, and mills have been greatly increased. The income of farmers, industry, and commerce have been greatly increased. The cost of living along many lines has almost doubled, and especially in the city of Washington. Contrary to the belief of many people, a Member of the House

and Senate must pay Federal income tax just the same as other people. More than \$2,700 comes out of his salary for Federal income taxes, and he must also pay State income taxes, and if there is taken an additional sum of about \$2,500 for a place to live, then he only has left about \$5,000 out of which to pay the living expenses of his family and all of these other innumerable expenses that are strictly official and are incurred by reason of his official duties. It can be seen at once that a Member of Congress must be frugal and economical in order to make both ends meet, and there are not many Members of Congress that can accomplish that. While my family is a very frugal and economical family, as we do not try to "keep up with the Joneses," I would be embarrassed to say how much less I have now than I had the day I announced for Congress in 1918. We are a little more fortunate than some Members of Congress—Mrs. Robsion was very industrious and thrifty; I worked hard many years in the practice of law, in the banking and other businesses, and had laid aside a modest sum. As we could not secure a home when I first came to Congress in 1919, I bought a home out of a part of my accumulated savings, but, of course, we must pay high taxes and the upkeep of that home. I might also state that my children are grown and married and are self-supporting. President Truman stated at his press conference today, I am advised, that while he was a Member of the Senate for the last 10 years he kept his wife on the pay roll as one of his secretaries as they could not make both ends meet otherwise. Few persons have taken the time to find out how many sources draw upon a Member of Congress.

FORMER SPEAKER CHAMP CLARK

I want to tell you a gripping life story of a great American—8 years Speaker of the House of Representatives, Hon. Champ Clark, of Missouri. It was my pleasure to serve with this able statesman for 2 years. The Republicans took control of the House in 1919 and elected a Republican speaker—displacing Champ Clark. In the landslide of 1920 he was defeated for Congress. He was born, reared, and educated in Kentucky. After his defeat and when Congress met the first Monday in December 1920 and through the months of December, January, and February, former Speaker Clark, as was his habit, frequently came over on the Republican side and talked to me and other Republican Members of the House from Kentucky. He was very much dejected. The defeat broke his heart. He appeared to be the saddest man I ever knew in the House of Representatives. He said on more than one occasion, "I have given 26 years of my life in the service to my country in this House and you boys know that I had opportunities many times, by reason of being Speaker and other positions I held in the House, to have accumulated a fortune, but now I have nothing except my good name. I am an old man, as I am 75 years of age. I know not which way to turn. I would not mind it so much for myself, but it grieves

me to know that if I should die, I could not and would not leave my dear wife anything." Speaker Clark was religiously inclined and generally concluded his speeches by saying in substance, "I hope it may be the will of the Almighty to take me before March 4." He wanted to die before March 4 while he was still in office because then his wife would receive a sum equal to 1 year of his salary which was \$7,500 at that time.

Mr. Speaker, the soul of that great American and that great statesman who had given 26 years of honest service to his country took its flight on March 3, 1921. Of course, I have known of a number of other Members who left the Halls of Congress bankrupt. I do not see how any man can stay in Congress and render efficient and courteous service to his constituents and not pay out more than his salary. I know that it would have been unfortunate for Mrs. Robsion and our family if we had not accumulated something before I entered public life, and if I had not been successful in a few important law suits. While a Member of Congress does not have an opportunity to make money he does have through the years opportunities to be of service to his country and opportunities to help tens of thousands of people.

This bill will cost the taxpayers of the Nation approximately \$1,000,000 annually. Some have pointed out that on today Congress voted approximately six billions for alleged loans and stabilization fund which will go in the end to foreign countries. That is 6,000 times as much as the sum in question here, but I voted against that. Congress has voted sixty-four billions for lend-lease for other countries. That is sixty thousand times as much as that mentioned in this bill and Congress has voted other billions for foreign countries, and I have been voting against all of these except those especially designed to aid us in our war effort, and I am going to vote against this resolution—although I think it is just. This Nation is facing a three hundred billions or more war debt. We must stop a lot of these expenditures and if possible preserve the financial integrity of this Nation. Of course, this allowance here is less than a drop in the bucket.

Mr. BROWN of Ohio. Mr. Speaker, if there are no other former Members of the Senate who wish to testify, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I am greatly disturbed over the situation that confronts the House at the present time. It is true as has been stated that this rule simply provides that the legislative appropriation bill be taken from the Speaker's table and a vote be had on the question of agreeing to the Senate amendments.

You have been told, and will be told again, that the provisions of this bill as far as the House is concerned have not been disturbed by the Senate. The Senate has added some items and those in charge of the bill seek the concurrence of the House in those items.

I am not going to discuss what the Senate has done in reference to expenses for Members of the Senate, but I am going to remark that there is no rule or

regulation that requires the House to accept the Senate amendments that have to do with the expenses of that body.

It was only 3 or 4 years ago that the Senate provided for what was termed an "assistant Senator" whose duty it would be to handle matters with various Government agencies so that the Senators would have more time to attend to their legislative duties. The amount of the salary was \$7,500 per annum. The Senators were very anxious to have this provision passed, but the House refused to agree to it which is conclusive evidence that comity does not always prevail between the House and the Senate.

When this bill was under consideration I was in the hospital and was not able to be present. I do not hesitate to say that had I been present I would have opposed certain changes in the present law made by the Committee on Appropriations which had not been authorized or approved by the Committee on Accounts of which I am chairman. I thought that there was an unwritten agreement between the Appropriations Committee and the Committee on Accounts that no legislative provision would be placed in the appropriations bill until the Committee on Accounts had been consulted.

Of the changes in salaries made by the Committee on Appropriations only one had been approved by the Committee on Accounts and that was the placing of the official reporters of committees on the same salary basis with the official reporters of debates.

Now what happened? Of course the big issue and the one you will hear about today is the item on page 19 granting \$2,500 per annum to assist in defraying expenses related to or resulting from the discharge of his official duties. This applies solely to Members of the House.

While it was thoroughly discussed in the Senate it was not changed nor did the Senate provide directly in this way for assistance to Senators, but as you have heard and will hear the Senators found another way to defray their expenses.

I read the debate on the bill and I do not agree that this amount is exempt from taxation. Regardless of what anyone says in reference to the intent of Congress on the floor of the House, or an expression in the report in the bill as to the intent of Congress, it is the law itself that prevails in the end.

The Board of Tax Appeals rendered a decision in what is known as the George Lindsey case holding that a Member of Congress could not deduct his living expenses while in Washington in filing his income-tax return. In my opinion, that decision will hold insofar as this provision is concerned.

There is no doubt that Members of Congress are entitled to an increase in compensation or that they should be permitted to deduct from their income-tax-return expenses incurred while in Washington in the performance of their duties. A businessman is entitled to make deductions for any trip he makes to Washington, including large hotel expenditures, also expenses for dinners, and so forth. That is a matter, however, that should be determined by the Com-

mittee on Ways and Means in connection with the next revenue bill.

If a bill is brought in providing for a reasonable increase for Members of Congress without any strings attached to it whatsoever, I will vote for it, because I know the great majority of the Members of Congress are not able to live on their salary.

There is another matter, however, that concerns me more than this. The committee of which I happen to be chairman has jurisdiction over the salaries of the personnel of the House of Representatives. The bill as reported by the committee and amendments added on the floor contain numerous increases in salaries for certain groups and certain individuals. I may as well be frank and say to what I refer.

For instance, an amendment was offered from the floor which provides that the reading clerks shall receive \$7,000 a year instead of \$5,000, and the assistant reading clerk shall receive \$5,000 instead of \$3,600, and the pages shall receive \$5 a day instead of \$4 a day.

Now, I am not going to comment on the others, but just let me tell you what you have done in passing such amendments to existing law.

With the exception of the clerk of the Appropriations Committee, this \$7,000 is more money than is received by any clerk of any committee in the House. The clerk of the Committee on Ways and Means receives but \$4,620. The clerk on Interstate and Foreign Commerce receives \$4,500. The clerk of the Judiciary Committee receives \$3,900. The clerks of the Military Affairs Committee, the Naval Affairs Committee, the Rivers and Harbors Committee, the Rules Committee, and the Foreign Affairs Committee all receive \$3,300, which is less than one-half that the reading clerks receive.

You just passed a very important bill that came from the Banking and Currency Committee. That committee has been handling some of the most important legislation that has been before the House for years and still the clerk of that committee receives only \$2,760.

I am not going to refer to all the other committees of the House, but as a result of the action of the House the chairmen of various committees of the House have already contacted me saying it is absolutely necessary that their clerks receive higher pay or they are going to lose their services.

You increased the salaries of the pages, but you did nothing whatsoever for the Doorkeepers, the great majority of whom are veterans and who are married.

I was under the impression that the Monroney committee would bring in a recommendation revising the salaries of the personnel of the House. I have talked to the chairman of that committee, the gentleman from Oklahoma [Mr. MONRONEY], and he tells me they will not be able to reach that for a long time to come.

I am serving notice now that in view of the situation that has resulted as a result of the increases in salary for a small group which was not passed on by the legislative committee, that I am going to ask the Accounts Committee to consider the advisability of bringing in

a resolution that will make a fair adjustment and classification of positions, and this applies to all personnel of the House where the committees will feel justified in taking up.

I dislike to be critical, but what would the members of the Appropriations Committee do if a legislative committee not only brought in an authorization but at the same time included an appropriation to carry out the authorization? You know and I know they would do exactly as they have done many times in the past—make a point of order against the language and it would be stricken from the bill insofar as the appropriation is concerned.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Speaker, I opposed the provision in this bill for the allowance of \$2,500 for official expenses of Members of the House when it was before us for consideration on May 10th last. At that time I voted against the rule which would make the bill in order and I voted for the amendment to eliminate the \$2,500 provision from the bill, and I voted against the bill itself. I shall vote against the rule today for the reason that that is the only method those of us opposed to this expense allowance will have to go on record. I repeat what I said when the bill was before us on May 10. I agree with the proponents of this allowance that the Members of Congress are entitled to an increase in their salaries and also allowances for official expenses. I am opposed to voting ourselves an increase at this time, however, to be retroactive and covering the term for which we have already been elected at the old salary schedule. Furthermore, in the midst of this crisis while all citizens are making heavy sacrifices not only in money, services, and needs, and many of life itself, we here in the Congress can well make some sacrifice in compensation and expenses to which in normal times we are entitled. I believe it ill becomes us in this great legislative body to vote ourselves these increases while we deny many underpaid Federal employees reasonable increases in salaries. I have long advocated a reasonable allowance for our elderly citizens for meager living expenses. I cannot feel justified in voting increases to ourselves while denying these old folks a modest sum to keep body and soul together in their old age. This bill will increase our take-home money \$2,500 annually. It will in effect, if not in fact, be a violation of the Little Steel formula which we are asking others to follow. Let us in the Congress point the way in holding the line and vote down an additional annual expense of \$1,642,500 for ourselves. Therefore, Mr. Speaker, I will cast my vote against the rule so that the bill may be sent back to the committee for appropriate action to eliminate the \$2,500 expense item.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, I think that there is a stake in this bill that some of

us are overlooking. An editorial came to my desk the other day, which I assume most of the Members received, which appeared, I think, in Collier's, saying that we were too timid to vote, apparently, for anything that would go to us. I do not believe that.

But I do want to call your attention to this thing: As the situation stands today there are just two classes of people who can afford to belong to the Congress. One is the rich man to whom money means nothing, and the other is the man who is willing to come down here and work for two or three thousand dollars a year. There is not a man in this House who down deep in his conscience does not know that the legitimate expenses, that is, the expenses which are purely incidental to his being in Congress, run into all the way from five to six or seven thousand dollars a year. We all know that. There is no use in kidding ourselves about that. I am not going into the long list of things that we have to pay out which are purely incidental to the affairs of the office. There is an old saying that is true, that in life we get just what we pay for. The American people are going to get the kind of Congress that they pay for. Sooner or later, as the years go by, if the Congress of the United States has not the courage to put the compensation of Congressmen where it will draw men of ability and courage into this body, the people are going to suffer as the result of it. This is not a salary increase. It is merely an assumption by the United States Government of the legitimate expenses, or at least some of them, that have to be paid. Personally, I do not think that it is the obligation of any man to assume expenses which are perfectly and legitimately the expenses of his employer. If you are working for the Standard Oil Co. or for a railroad company or for a corner grocer, he would not expect you to pay his rent and his telephone bills.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, I shall vote "yes" on this measure when the roll call vote is taken. Perhaps, if I had had my choice, I would have solved the problem in a somewhat different way. I certainly favored the proposal by the gentleman from Mississippi [Mr. WHITTINGTON] who thought, as I understood him, that we ought to increase the Members' salaries by 15 percent to keep within the Little Steel formula, and allow him an expense account within certain limits. However, we have this measure before us, and I think it merits support. I am inclined to believe that less attention to an increase in a Member's pay and along with it a just and businesslike retirement plan would have been preferable. I think it was a cruel shame that the retirement measure which was enacted into law a few years ago was so misunderstood by the public and so hurriedly repealed by Congress.

I do not know how others may be, but I am a poor man. I have always lived upon a salary. I now realize the truth of what Mrs. Isabella Greenway, my predecessor stated, in 1936, while I

campaign to fill a vacancy, when she said, "Dean MURDOCK, you will not get rich at Washington." This she said before a large audience in Tucson, with Senator Ashurst, then the senior Senator from Arizona, on the platform, and I noticed that the Senator laughed heartily at Mrs. Greenway's statement which he evidently understood better than I did. I am not the only Member of Congress who has learned the truth of what the former Congresswomen from Arizona said and meant upon that occasion.

Would it be better if we had only rich men as Members of both branches of Congress? I am convinced from attitudes and actions I observe that there are some who feel that it should be that way. We could save the Government quite a bit of money by abolishing all salaries and other emoluments and payments to Members, and I do not doubt but that there would be candidates for these seats if no salaries were paid. One of the founding fathers of this Republic opposed paying the President any salary, and he felt sure that if the Constitution incorporated that part of his plan that the high office of the Presidency would never go begging for candidates. The other founding fathers, of course, did not agree with him, and so the Constitution of the United States provided that the President shall be paid a salary. Think how much the taxpayers of the United States would have been saved if the no-salary plan had been adopted. Of course, the list of our Presidents would have been somewhat different, and it would have lacked certain names, such as A. Lincoln.

What was one of the great parliamentary reforms demanded in England prior to 1832? It was payment of salaries to Members of Parliament. Why did Englishmen think it necessary when there were so many English gentlemen who would gladly serve under the former plan? What was one great reform in Germany, demanded by the people and contrary to Bismarck's idea? It was payment of a salary to the Members of the Reichstag. Evidently, most Englishmen, about 1830, and evidently, most Germans, about 1870, had come to the conclusion that salaries should be paid to the men who made their laws and conducted their government. Our fathers thought so and arranged it so in the basic law of our land.

Thoughtful students of government, even some of the well-known writers in the press today, recognize that a Member of Congress ventures much when he quits what he is doing to come to Washington to be a part of this Government. Comparatively few people know the nature of that risk, or the extent of it, but deliberate and impartial judgment of our best thinkers advocates suitable compensation, not only in salary, but in office help, in facilities, and in security for those who give their entire thought and effort and sometimes their very lives to their governmental tasks. There are those who contend, and I think rightly so, that better service, more unselfish and loyal service, can and will be furnished by Members of Congress who do not have

the haunting fear of the poorhouse just ahead of them. It is a tragic story that famous leaders in this House have reached old age in poverty marking the end of a useful public career. It is a tragic story that could happen to many of the Members of Congress.

Mr. SABATH. Mr. Speaker, I yield such time as she may desire to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker, I intend to vote "yes" on this resolution making the Senate bill in order. I think that we will place ourselves in a most ridiculous position, after having voted for this expense account only a short time ago, to reverse the action we then took today. I intend to vote for the resolution.

Mr. SABATH. Mr. Speaker, I yield the remaining 8 minutes' time to the gentleman from Kentucky [Mr. O'NEAL].

Mr. BROWN of Ohio. Mr. Speaker, I yield the remaining 4 minutes allotted this side to the gentleman as well.

The SPEAKER. The gentleman from Kentucky is recognized for 12 minutes.

Mr. O'NEAL. Mr. Speaker, I trust that this issue will not be confused. It is as clear as it can be. This is one of the regular appropriation bills presented to Congress for the operation of the Federal Government. This bill came to you from the Committee on Appropriations and it was passed by the House. It went to the Senate, and as has been the custom for a long time, the Senate agreed to all of the House provisions without change, and then proceeded to make such changes as they felt should be made in their behalf. There are only two other minor amendments in the entire bill. The bill was messaged back here and it went on the Speaker's table, as has always been the custom. The chairman of the subcommittee made a unanimous-consent request to concur in the Senate amendments and that request was declined. We then sought a rule.

Mr. Speaker, the only thing in this bill in controversy, actually, is the bloc Senate amendments, and the rule that you have before you is to agree to those Senate amendments. That is the only question. That is a normal, ordinary procedure, and that is what is before you today. Even though you may be against this expense item, there is no reason in the world to interrupt the orderly procedure of our appropriation bills through the House. Now, that the matter has been discussed and the expense item is no longer in controversy, not before you in connection with this rule but just indirectly brought into it, in my opinion, you are perfectly justified in voting for this rule. Those who fought this expense item know that it is not here, but they say, "We want to play the game over again. We would like to have a fourth strike. We had our chance, but we would like now to do it all over again."

Since they want you not to let this bill become law, I should like to take just a minute or two to tell you something along that line. In the first place, the executive departments have a Bureau of the Budget to which they go and present their needs, and that Bureau of the Budget recommends to the Congress on execu-

tive items that certain amounts be put in for expenses for this, that, or the other reasons whatever it may be. We vote those sums by the millions, and everybody from a clerk on up who has such expense items we are asking here is taken care of. But nobody can do that for the House. The budget committee of the House is your small Subcommittee on Legislative Appropriations. This would never be here or any other just item of expense would not be here unless your subcommittee brought it to you.

For 10 years I have watched you carry this load and I have heard a lot of people talking about it, but nobody was doing anything about it. We decided to do something about it, because we know the beating that every Member of Congress is taking on his expense items. There is no Bureau of the Budget to recommend it to you. The only one who could do it was this small subcommittee, and we presented it to you. Before we did that, however, in order that it might be known to the Members, in order that there might be no one to say, "Oh, we did not know what was going on," I went to the Democratic side and said, "What do you think about it?" Almost unanimously the steering committee said, "Go to it. We think it ought to be done." I asked the Republican Members to go to their side so that we would have no confusion about it, and the Republican Members came back and said, "We canvassed the entire membership of those that are here, and two out of three say, 'Go to it and put it into the bill.'" That is why it is in here.

Now they are asking you to back up and steal away. I do not believe you will do it. It was brought before the House in the normal way. We brought in a rule. That rule was passed by 229 to 124. The gentleman from Georgia wants to play the game over again. He offered an amendment to strike out the expense item and he got 68 votes for it and we got 203 against it. Anybody that implies that the 200 tried and true Members of Congress would not stand up on a roll-call vote—well, it almost is worth asking the Speaker to have it taken down. I do not believe any man, especially a Member of Congress, has any right to charge that 200 of these Members of Congress would now, because there has been talk, sneak away and say, "Now that you have got me on record, I won't vote my convictions."

Mr. WOODRUM of Virginia. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Virginia.

Mr. WOODRUM of Virginia. It seems to me, as I have listened to the discussion, that the parliamentary situation has been considerably confused by some gentlemen trying to put their own interpretation on what a vote on the rule would mean. It is a fact, as I understand, that the item of \$2,500 for expenses is not in disagreement between the two Houses. This House could take no action, not even by unanimous consent, to change that item, because it is the joint action of both Houses.

If the rule is defeated and the bill is sent back to the Committee on Appropriations, the Committee on Appropriations

cannot change the item. The only thing it could do would be the perfectly ridiculous performance of taking that appropriation bill and putting it in the ashcan and reporting out an entirely new appropriation bill and bringing it back.

Mr. O'NEAL. That is correct.

We also had a motion to recommit. We defeated it and passed the bill finally with that expense item in it, by a vote of 179 to 83.

Mr. Speaker, with reference to the question of being out of balance with the Senate, may I comment upon that. Even with this item of expense in the bill we still, as far as expenses are concerned, are not on a comparable basis with the Senate. If you want to throw it out of balance then take this item out and you will have increased the disparity between the two items covering expenses in the Senate bill and in the House bill.

We are told this is not the time. Gentlemen, there has been comparatively little criticism about this bill. Many of the great newspapers have been for it, as well as many of the leading columnists. But you have enemies of the House of Representatives who will never be for it, who will always say this is not the time. They will also say, "Do it some other way." No matter when it comes up, no matter if it comes up next year or the year after or whenever it comes up, this same type of mind that does not like the Members of the House of Representatives will always say, "This is not the time. There is some other way to do it which is better." Gentlemen, they will always be that way. This has created comparatively little furor throughout the country. I believe the thinking people of America feel this thing is right.

Mr. Speaker, let us see what would happen if this bill were held up. It would go back to the Committee on Appropriations; then what would happen? July 1 is not far away. If the controversy continued it might be some time before this bill could be passed. July 1 is the dead line. It must go through, or every employee on the Hill and all other necessary expense items could be taken care of.

Then, Mr. Speaker, what is more serious to me, we would start a controversy between the Senate and the House. The Senate is composed of fine, honorable gentlemen. The Senate is a distinguished body. I for one have no desire to go back to the committee and take their items and question this little thing or that little thing as to what they are doing and give the enemies of the Senate and the House of Representatives the opportunity to parade it all through the papers and create discord and confusion. That is not in the interest of good government and good legislation or in the interest of our country. We do not want this to go back and get into a snarl among ourselves.

Mr. Speaker, I wish I had more time, but I want to say, in conclusion, this question has been voted on several times by Congress, the greatest legislative body in the world. In my opinion the House of Representatives consists of as fine and

courage a group of men as you will find anywhere. When anyone infers that this group, because there has been a little talk in the newspapers, is composed of men who will sneak out and run when they have to put their names on the dotted line, is underrating the high character of the House. I think he is far underestimating the character of the men I see before me now. This is a vote to agree to the Senate amendments. We should do it and have the matter end in an orderly way. If there are those who want to do something else, they have an opportunity to do so without sabotaging this bill. But since we have carried it by as much as 203 to 68, to even think of changing our position and voting against it will be interpreted as fear. I do not believe this group is afraid. I do not believe your constituents elected men to represent them in the House of Representatives who can be scared by pressure groups or by newspapers or by anybody else. I trust you will agree to this rule and vote for it and that we will not beat an ignominious retreat.

The SPEAKER. All time has expired. Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. SABATH. Mr. Speaker, on that I ask for the yeas and nays.

Mr. TARVER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 206, nays 152, answered "present" 1, not voting 73, as follows:

[Roll No. 99]

YEAS—206

Adams	Douglas, Calif.	Hoffman
Allen, Ill.	Doyle	Holmes, Mass.
Anderson, Calif.	Eberharter	Holmes, Wash.
Anderson,	Elsworth	Hook
N. Mex.	Elcaesser	Howell
Andrews, Ala.	Elston	Huber
Andrews, N. Y.	Engle, Calif.	Izac
Arnold	Feighan	Jackson
Auchincloss	Fellows	Jennings
Baldwin, N. Y.	Fenton	Johnson, Ill.
Barden	Fernandez	Johnson, Okla.
Barrett, Pa.	Fiannagan	Jones
Barry	Flood	Kee
Bates, Ky.	Fogarty	Kelley, Pa.
Bates, Mass.	Forand	Kelly, Ill.
Beall	Fuller	Keogh
Bell	Fulton	Kerr
Bender	Gallagher	Kilburn
Bennet, N. Y.	Gary	Kilday
Biemiller	Gathings	King
Bishop	Gavin	Kirwan
Boykin	Gearhart	Kopplemann
Brown, Ohio	Geelan	Larcade
Buckley	Gerlach	Latham
Butler	Gibson	Lea
Byrne, N. Y.	Gifford	LeFevre
Case, N. J.	Goodwin	Lesinski
Celler	Gordon	Link
Chapman	Gorski	Lyle
Chelf	Granahan	Lynch
Chiperfield	Granger	McCormack
Clark	Green	McCowan
Clements	Gregory	McDonough
Clevenger	Griffiths	McGehee
Coffee	Hagen	McGlinchey
Cole, Kans.	Hale	McGregor
Combs	Hall	McKenzie
Cox	Leonard W.	Maloney
Cravens	Halleck	Mansfield, Tex.
Curlley	Harness, Ind.	Marcantonio
Daughton, Va.	Hartley	Martin, Mass.
Dawson	Havener	May
De Lacy	Healy	Morrow
Delaney,	Hedrick	Miller, Calif.
James J.	Heffernan	Morgan
Delaney,	Heendricks	Mott
John J.	Herter	Murdock
Dickstein	Hill	Murphy
Dingell	Hinshaw	Neely

Norton
O'Brien, Ill.
O'Hara
O'Neal
O'Toole
Outland
Patman
Patrick
Patterson
Peterson, Ga.
Pfeiffer
Phillips
Pittenger
Powell
Powers
Price, Fla.
Quinn, N. Y.
Rabin
Ramspeck
Randolph

Rayfiel
Reed, Ill.
Reed, N. Y.
Resa
Rizley
Robinson, Utah
Rodgers, Pa.
Roe, Md.
Rogers, Mass.
Rogers, N. Y.
Rooney
Rowan
Ryder
Sabath
Sadowski
Sasser
Savage
Schwabe, Okla.
Sheridan
Smith, Maine
Snyder

Somers, N. Y.
Sparkman
Spence
Sullivan
Talbot
Thomas, N. J.
Tolan
Torrens
Towe
Traynor
Vinson
Wadsworth
Wasielewski
Weaver
West
Wickersham
Wolfcott
Wolfenden, Pa.
Woodhouse
Woodruff, Mich.
Woodrum, Va.

NAYS—152

Abernethy
Angell
Arends
Baldwin, Md.
Barrett, Wyo.
Beckworth
Bennett, Mo.
Blackney
Bland
Bolton
Brehm
Brooks
Brown, Ga.
Bryson
Buffett
Bulwinkle
Bunker
Burgin
Byrnes, Wis.
Camp
Campbell
Cannon, Mo.
Carnahan
Case, S. Dak.
Chenoweth
Church
Cochran
Cole, Mo.
Colmer
Cooper
Courtney
Crawford
Cresser
Cunningham
Curtis
D'Alesandro
Davis
Dolliver
Dondero
Doughton, N. C.
Douglas, Ill.
Dworshak
Elliott
Ellis
Engel, Mich.
Ervin
Fallon
Fisher
Folger
Gamble
Gillespie
Gillette

Gillie
Gore
Gossett
Graham
Gross
Gwinn, N. Y.
Gwynne, Iowa
Hall
Edwin Arthur
Hancock
Hare
Harris
Hays
Henry
Heseltun
Hoch
Hoeven
Eope
Horan
Hull
Jenkins
Jensen
Johnson, A.
Jonkman
Judd
Kean
Kearney
Keefe
Kefauver
Kinzer
Knutson
Kunkel
Landis
Lane
Lanham
LeCompte
Lemke
Lewis
Ludlow
McConnell
McMillen, Ill.
Madden
Mahon
Manasco
Mason
Michener
Mills
Monroney
Mundt
Murray, Tenn.
Murray, Wis.

Norrell
O'Konski
Pace
Pickett
Poage
Priest
Rains
Ramey
Rankin
Rees, Kans.
Rich
Richards
Riley
Robertson, N. Dak.
Robertson, Va.
Robison, Ky.
Rockwell
Russell
Schwabe, Mo.
Scrivner
Simpson, Ill.
Smith, Ohio
Smith, Va.
Springer
Starkey
Stevenson
Stigler
Summer, Ill.
Sundstrom
Taber
Talle
Tarver
Taylor
Thom
Thomas, Tex.
Thomason
Tibbott
Trimble
Voorhis, Calif.
Vorys, Ohio
Vursell
Weiss
Whittington
Wigglesworth
Wilson
Winstead
Wolverton, N. J.
Wood
Worley
Zimmerman

ANSWERED "PRESENT"—1

Luce

NOT VOTING—73

Allen, La.
Andersen, H. Carl
Andersen, August H.
Bailey
Bloom
Bonner
Boren
Bradley, Mich.
Bradley, Pa.
Brumbaugh
Buck
Burch
Canfield
Cannon, Fla.
Carlson
Clason
Cole, N. Y.
Cooley
Corbett
Dirksen
Domengeaux

Drewry
Durham
Earthman
Eaton
Gardner
Grant, Ala.
Grant, Ind.
Hand
Harless, Ariz.
Hart
Hébert
Hess
Hobbs
Hollifield
Jarman
Johnson, Calif.
Johnson, Ind.
Johnson, Lyndon B.
LaFollette
McMillan, S. C.
Mansfield, Mont.

Martin, Iowa
Miller, Nebr.
Morrison
O'Brien, Mich.
Peterson, Fla.
Ploeser
Plumley
Price, Ill.
Rabaut
Reece, Tenn.
Rivers
Roe, N. Y.
Rogers, Fla.
Shafer
Sharp
Sheppard
Short
Sikes
Simpson, Pa.
Slaughter
Smith, Wis.
Stefan
Stewart

Stockman
Sumners, Tex.
Walter

Weichel
Welch
White

Whitten
Winter

So the resolution was agreed to.
The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Whitten against.
Mr. LaFollette for, with Mr. H. Carl Andersen against.
Mr. Slaughter for, with Mr. Roe of New York against.
Mr. Sikes for, with Mr. Rogers of Florida against.
Mr. Rabaut for, with Mr. Stefan against.
Mr. Hobbs for, with Mr. Miller of Nebraska against.

General pairs:

Mr. Sheppard with Mr. Johnson of Indiana.
Mr. Hollifield with Mr. Martin of Iowa.
Mr. Jarman with Mr. Grant of Indiana.
Mr. Price of Illinois with Mr. Canfield.
Mr. Drewry with Mr. Brumbaugh.
Mr. Domengeaux with Mr. Bradley of Michigan.
Mr. Earthman with Mr. Weichel.
Mr. Peterson of Florida with Mr. August H. Andresen.
Mr. Bloom with Mr. Hand.
Mr. Cooley with Mr. Shafer.
Mr. Durham with Mr. Hess.
Mr. Bonner with Mr. Reece of Tennessee.
Mr. Morrison with Mr. Carlson.
Mr. Hart with Mr. Stockman.
Mr. Bradley of Pennsylvania with Mr. Eaton.
Mr. Burch with Mr. Clason.
Mr. Stewart with Mr. Short.
Mr. Hébert with Mr. Dirksen.
Mr. Bailey with Mr. Cole of New York.
Mr. Grant of Alabama with Mr. Smith of Wisconsin.
Mr. O'Brien of Michigan with Mr. Johnson of California.
Mr. Rivers with Mr. Welch.
Mr. Lyndon B. Johnson with Mr. Simpson of Pennsylvania.
Mr. Cannon of Florida with Mr. Winter.
Mr. Allen of Louisiana with Mr. Plumley.
Mr. Mansfield of Montana with Mr. Corbett.

Mr. GILLESPIE changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

By motion of Mr. SABATH, a motion to reconsider was laid on the table.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that all Members be given 3 days in which to extend their remarks on the legislative appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

EXTENSION OF REMARKS

Mr. POWERS asked and was given permission to extend his remarks in the RECORD.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1946

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to take

from the Speaker's table the bill (H. R. 3024) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, disagree to the amendments, and ask a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. JOHNSON of Oklahoma, KIRWAN, NORRELL, ROONEY, JONES, JENSEN, and DWORSHAK.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD on two different subjects and to include a newspaper article.

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD on two different subjects and to include in one a letter.

Mr. SMITH of Wisconsin asked and was given permission to extend his own remarks in the RECORD.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and to include a speech delivered by Hon. Harry W. Baals, of Fort Wayne, Ind.

Mr. JOHNSON of Oklahoma asked and was given permission to extend his remarks and include a speech delivered on the life, character, and public service of the senior Senator from the State of Oklahoma by Judge E. R. Pruett.

Mrs. LUCE asked and was given permission to extend her own remarks in the RECORD.

NATIONAL WAR AGENCIES APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3368) making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes.

Pending that, I ask unanimous consent that general debate may continue during the day and that the first paragraph of the bill be read before the Committee rises this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, reserving the right to object, frankly I do not see how we can finish debate in 2½ or 3 hours on this bill. I should have to object. I feel we should have at least 3 hours tomorrow.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that general debate continue during the remainder of the day and for 1 hour tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, I think we should have more than that. That is not enough to cover what we will need. I shall have to object to that. I would be willing to go along on 2 hours.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that general debate continue during the day today, half the time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the present request of the gentleman from Missouri?

Mr. COLMER. Mr. Speaker, reserving the right to object, is there any provision made in this bill for continuation of the so-called FEPC?

Mr. CANNON of Missouri. We include in this bill provision for no agency for which a legislative committee has introduced a bill or now has a bill on the calendar.

Mr. COLMER. I interpret that, then, to mean that there is no provision therein for the FEPC?

Mr. CANNON of Missouri. No; neither for the OPA nor the FEPC.

Mr. COLMER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3368, with Mr. SPARKMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. CANNON of Missouri. Mr. Chairman, we are winning the war. It is not yet won. There is a long and bitter road ahead before it is completely won. But we have achieved victory in Europe, without which success in Asia would have been futile and if we but continue at the present rate of effort victory on every front lies ahead eventually.

Many factors have contributed to our success in the war program. American agriculture has produced food at an unprecedented rate, without which victory would not have been possible; but they could not have won it alone. Labor has produced beyond all former records. The war could not have been won without the extraordinary effort labor has made; but labor unassisted could not have won the war. Business has contributed immeasurably to the success of the war. It has been a war of production and business has contributed the excess production, without which the victory could not have been achieved; but business alone

could not have won. The war has not been won by any industry or class or organization. It has been won through wholehearted and effective cooperation of every element in American life and industry. And second to none, as a factor in the success of the war program, has been the work and accomplishments of the war agencies for which this bill makes provision.

I say, considerably, that it is my implicit conviction, that the war could not have been won, success could not have been achieved, victory would not have been possible, without the work and cooperation of the several war agencies for which this bill makes provision.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman realizes, particularly in view of the President's message on FEPC, how important an appropriation for the existing FEPC agency is. As chairman of the Committee on Appropriations I think the gentleman owes an explanation to the House for the omission of appropriations for FEPC by the gentleman's committee.

Mr. CANNON of Missouri. I shall be glad to give the gentleman any information I have on the subject.

Of the 23 war agencies, the pending bill provides appropriations for 19. The remaining agencies are not provided for in this bill for a variety of reasons. For example, OCD has practically completed its work. It has rendered a great service, which happily was not as essential as had been anticipated and for that reason is not included in this bill. Likewise, the relocation agency which provided for internment of all Japanese in America, will have concluded its work by the end of the calendar year and is allowed only enough money for liquidation.

FEA is not included for the reason that it cannot be accurately provided for until we know what provision is to be made for lend-lease. FEPC to which the gentleman refers, and OPA, are awaiting legislative authorization.

It is one of the fundamental laws of the land, in force from the beginning of the Constitution, that no money can be appropriated out of the Treasury of the United States without authorization of law. Provision for those agencies for which bills have been introduced, upon which the legislative committees of the House have acted has necessarily been deferred pending consideration by the House of bills now on the calendar are naturally not included. It is obviously impossible to forecast in advance what will be the nature of the authorizing legislation, and for that reason appropriations cannot be made until we know what appropriations are permissible. On such agencies the committee has taken no adverse action. They have not been rejected. They are simply deferred without prejudice until such time as the House shall take up the bills now waiting on the calendar and indicate to the committee the character and extent of the

appropriations it wishes the committee to report.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. I am very much interested in the gentleman's comments. But, of course, the gentleman knows that there is a bill on the calendar, and that the Committee on Labor on February 23 asked for a rule to bring that bill to the floor of the House, and up to the present time that rule has been denied. There is a petition on the table at the present time to bring the bill before the House for debate. The gentleman knows that it is practically impossible to get that bill through before June 30. Therefore, if there is no temporary appropriation made for FEPC, then FEPC dies on June 30. Does the gentleman think that that is a fair procedure?

Mr. CANNON of Missouri. The gentlewoman has accurately stated the situation. Of course, as the gentlewoman knows, in view of the fact that due to her long and eminent service she is one of the most experienced parliamentarians in the House, there are two ways in which such a provision could be brought to the floor of the House, that is, either by a report from the Committee on Rules authorizing consideration of the bill which her committee has reported and which is now on the calendar, or by making in order an amendment to the pending bill, appropriating money for that purpose. I may say to the distinguished gentlewoman from New Jersey that the Committee on Appropriations is merely marking time, awaiting such contingency and that as soon as either one of these courses are taken to make it possible for the Committee on Appropriations to appropriate for this purpose, the Committee on Appropriations will take prompt and, in my judgment, favorable action.

Mrs. NORTON. Am I to understand that the gentleman will permit an amendment to this bill? I understood that it would not be admitted on a point of order. I would be very glad to offer such an amendment.

Mr. CANNON of Missouri. As I have explained, if the Committee on Rules will bring in a rule making it in order, the committee will be glad to take it up.

Mrs. NORTON. Does the gentleman believe that the Committee on Rules would bring in a rule to make that in order, when they have refused to give us a rule since February 23 up to the present time?

Mr. CANNON of Missouri. Of course, the gentlewoman understands that such an inquiry or suggestion should be addressed to the chairman of the Committee on Rules and not to a member of the Committee on Appropriations. The gentlewoman will recall that the Committee on Appropriations last year brought in a bill which carried this item, and if a similar parliamentary situation had prevailed this year, I know of no reason why the Committee on Appropriations would not again have brought it in, but the Committee on Appropriations cannot appropriate a single dollar without authorization. That is the statutory law of the

Nation—in force since the beginning of constitutional government.

Mrs. NORTON. How about last year?

Mr. CANNON of Missouri. As the gentlewoman will recall, the parliamentary situation last year was entirely different. The gentlewoman will recall that last year the gentleman from New York, the ranking minority member of the committee, and the chairman of the committee came on the floor and secured unanimous consent to waive all points of order against the bill. That made it possible to include the item. Such procedure was not possible this year and, therefore, the Committee on Appropriations is helpless under the rules of the House.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. MARCANTONIO. With all due deference to the gentleman, I should like to point out the situation as it really exists. First of all, the appropriation for FEPC and the legislation for a permanent FEPC from a parliamentary standpoint are two separate and distinct matters. The appropriation for the FEPC agency set up by executive order has always heretofore been made by the Committee on Appropriations even though there has been no legislative authorization for that appropriation. Am I correct in stating that?

Mr. CANNON of Missouri. Invariably a rule has been reported by the Committee on Rules and passed by the House making it admissible, or unanimous consent was secured without a rule.

Mr. MARCANTONIO. I am talking now about the action of the Committee on Appropriations, and I should like to confine the discussion to that. I realize the gentleman is not responsible for the conduct of any other committee; so let us stick to his Committee on Appropriations. Heretofore on every occasion this agency has received appropriations by the Committee on Appropriations, the gentleman's committee. This year the gentleman's committee has not appropriated a single penny for that agency.

Mr. CANNON of Missouri. The Committee on Appropriations cannot appropriate. All it can do is recommend appropriations. Disposition of such recommendations is by the House.

Mr. MARCANTONIO. Well, to recommend the appropriation, to include the appropriation in its bill. This year it has not included it in its bill. The excuse that is given is that the legislation for a permanent FEPC is pending, and, since it is pending, there is no reason for the Committee on Appropriations to appropriate for the existing FEPC. This agency from a parliamentary standpoint is not even remotely related to the permanent FEPC legislation. Therefore, its excuse is very lame. What I fail to understand is what reason is there for the Committee on Appropriations to have changed its course with respect to this temporary FEPC appropriation. Why has the Committee on Appropriations failed to recommend this appropriation for this agency which has had appropriations recommended for it by the gentleman's committee last

year? Why last year and not this year? That is the question I submit, the gentleman has not answered directly.

May I add one further thought. The Committee on Appropriations determines whether or not an appropriation should be recommended. The argument that there is no authorization does not prevail because time and time again the Committee on Appropriations has recommended appropriations to the House even though there has been no legislative authorization. In fact, in this very bill there are many items for which there are no legislative authorizations. Why an exception in this case? Why has the appropriation not been recommended even though appropriations have been recommended in this bill for other agencies for which there are no authorizations?

Further, who did not this Committee on Appropriations recommend the appropriation and then go before the Committee on Rules and ask for a rule waiving all points of order, as you did on two separate and distinct occasions this session of Congress?

Mr. CANNON of Missouri. May I say to my good friend from New York that the answer is very simple.

Every war agency provided for in this bill was instituted by Executive order. There was originally no legislative authority for any of them. Legislative authority has since been provided for some, but the majority are still without legislative authorization. In other words, it is, to all practical intents and purposes, impossible to get this bill before the House without a rule.

Mr. MARCANTONIO. Then why treat FEPC, which was also set up by Executive order, differently from these other agencies?

Mr. CANNON of Missouri. The question is very well put and I shall answer it. It is impossible to get this bill before the House without a rule, because appropriations for most of the war agencies created by Executive order are subject to a point of order. There is no legislative authority for them. Anyone may rise in his place and lodge a point of order against such appropriations and, without further ceremony, they are out of the bill.

Now it is of the most vital importance that this bill be passed sufficiently early to get it in under the wire before the end of the fiscal year; that is by June 30. The uninterrupted prosecution of the war program depends on it. When we suggested to Members of the House that the bill was ready and that we would require the usual rule we were informed that if certain items were incorporated in the bill, no rule would be given for the bill or any part of the bill. Now, what can we do? What course is left open to the committee? Here are the war agencies, the continuance of which is vital to the success of the war. Appropriations for them must be available by the 30th of June, and we are told that if certain agencies are included in the bill no rule will be forthcoming. What recourse have we but to eliminate any such items?

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. MARCANTONIO. What official communication has the gentleman received from the Committee on Rules to that effect? And if the gentleman has not received any official communication, who has notified him and pointed a legislative gun at him? Who did it? We want to know. The people of this country want to know who is killing this agency and how is it being done? Let us have the facts. Let us have the truth.

Mr. CANNON of Missouri. Well, that is a very elementary proposition. Why does not the gentleman go to the Committee on Rules and ask?

Mr. MARCANTONIO. The gentleman said he was told or notified. Who notified him? Who told him? Several gentlemen from the Committee on Rules are here in the Chamber at this time. Let us have the facts.

Mr. CANNON of Missouri. If the gentleman desires to ask any member of the Committee on Rules, or any other Member of the House who may have the information, I shall be glad to yield for that purpose.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. MICHENER. If the Committee on Rules has taken any such action as that I do not know of it. I am a member of that committee and I do not think I have missed a meeting in a long time until I was 5 minutes late yesterday. But certainly there has not been any such action that I know of taken by the Committee on Rules. We have other members of the committee on the floor here. I think the gentleman should know something about his facts before he comes on the floor and makes assertions like that.

Mr. CANNON of Missouri. Oh, why doesn't the gentleman come out from behind the false whiskers and discuss the situation as it is?

Mr. MICHENER. What does the gentleman mean? What does the gentleman mean?

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Ohio.

Mr. BENDER. The Committee on Rules, like the Lord, works in mysterious ways its wonders to perform. We have been wondering about the Committee on Rules during recent days regarding the permanent FEPC bill. We understand that bill is coming out next Tuesday. I do not know what sleight-of-hand performance is used or what the mechanics are. The only thing we know about are the facts. There is something here which is not visible to the naked eye. I think the gentleman is correct in pointing out the situation. But I say regarding this particular bill that all of these things are subject to a point of order. No rule has been granted on any part of this bill, and yet I think the gentleman expects a rule to be granted. I think the House should be given an opportunity before this bill is voted upon. Since action on the permanent FEPC bill is suspended until next Tuesday, while this bill is under consideration we ought to be given an opportunity to vote on this

proposition and consider it and provide an appropriation for it.

Mr. CANNON of Missouri. As the gentleman says, it is not visible to the naked eye, but it certainly is in every newspaper published in Washington. I refer the gentleman to the press. I trust the gentleman reads the newspapers, and if he does, he will find the whole matter fully discussed in detail and illustrated and illuminated by name and number.

Mrs. NORTON. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the lady from New Jersey.

Mrs. NORTON. Mr. Chairman, I think the distinguished chairman of the Committee on Appropriations has done this House a very great service by making the statement that he has just made. What the House would like to know, and particularly what the Committee on Labor would like to know, is who is the controlling factor in the Committee on Rules who would dare to notify the gentleman to the effect he states he was notified?

Mr. CANNON of Missouri. May I say to the gentlewoman from New Jersey, the able chairman of the important Committee on Labor, that obviously there are many others who have more influence with that committee than I have. Up to this time I have not been able to even get a rule of this bill. We are proceeding today without a rule. And we will be helpless tomorrow when we start to read the bill, unless the Committee on Rules relents in the meantime. I am certain the lady exerts just as effective an influence, and certainly a more persuasive influence, with the Rules Committee than I do. I have not been able to get a rule either.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. I wanted to ask the gentleman about OPA, because it seems to me that in the case of OPA there has been legislative authorization in the past. I assume that OPA will be continued another year. Certainly it is a central agency in connection with the war program. What I am afraid of is that if no appropriation is made for OPA in the current bill, in view of the fact that the bill to extend OPA has not come before the House yet and may be a quite controversial bill, that we will get caught by June 30 without any funds for that agency, which I think would be disastrous. What does the gentleman think about that?

Mr. CANNON of Missouri. I thoroughly agree with the gentleman. It is inconceivable that we should not enact an authorization bill and provide appropriations for the OPA, and by that failure turn the country over to uncontrolled inflation. But the bill is on the calendar. The Committee on Appropriations awaits the pleasure of the House. The Committee on Appropriations, I am happy to say, is not the master of the House but the servant of the House. As soon as the House indicates, by passing either of these bills, that it wants appropriation, the Committee on Appropriations shall be delighted to oblige.

Mr. VOORHIS of California. Would it have been impossible to have secured a rule for an appropriation for OPA?

Mr. CANNON of Missouri. Apparently. The same situation obtains for OPA, so far as any official action taken by the Committee on Rules is concerned, as for FEPC.

In that connection, may I say, that we now have in preparation the last deficiency bill which we expect to pass before the recess. Hearings began last Monday. Just as soon as the House indicates by its action its desire for an appropriation for this or any other purpose, we will include it in the bill which is now in process of formulation.

Mrs. DOUGLAS of California. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the lady from California.

Mrs. DOUGLAS of California. Then we are to understand that the same forces that opposed the FEPC, which is set up to give equal opportunity to all the people in this country, are not afraid of inflation?

Mr. CANNON of Missouri. I regret that I cannot speak from any information or with any authority on that subject. I have no idea. I am not permitted to diagnose the mental processes back of the determination or lack of determination to provide consideration of the many measures which fail to reach the floor in every session of Congress. As I have said, the lady, who knows as much about newspapers as anybody in the country—and who is as favorably mentioned in the newspapers as anybody in the country—is in better position to judge of that than I am.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. MARCANTONIO. Coming back to the parliamentary situation before us, I understand there are about 18 agencies provided for in this appropriation bill, for about half of which there is no authorization. I am convinced that FEPC has received discriminatory treatment.

Mr. CANNON of Missouri. Not in the Committee on Appropriations. The Committee on Appropriations has shown by its service to FEPC up until this time—

Mr. MARCANTONIO. Up until this time. That is the point.

Mr. CANNON of Missouri. Up until this time, when the door was locked and the Committee on Rules had the key, and not the Committee on Appropriations.

Mr. MARCANTONIO. May I say that the Committee on Appropriations has been with us up until we got to the door and then you would not open it. I have been supporting all of these agencies and I intend to do so again. I am not going to sit here and permit this FEPC agency to be discriminated against. The gentleman has been speaking about obtaining a rule.

Mr. CANNON of Missouri. FEPC has not been discriminated against in the Committee on Appropriations.

Mr. MARCANTONIO. The gentleman and I disagree on that; I think it has been.

Mr. CANNON of Missouri. All right; let me ask the gentleman this question.

Mr. MARCANTONIO. May I complete my thought?

Mr. CANNON of Missouri. Yes; I yield to the gentleman, always with pleasure.

Mr. MARCANTONIO. Further, I think we should bring this to a head so that the Committee on Appropriations will have to go and ask for a rule; and in asking for that rule I expect the Committee on Appropriations, through its chairman, to ask for a rule which will make FEPC in order as well as the other agencies. Reluctant as I feel about raising a point of order to the other agencies, I am seriously considering doing it not because I am opposed to the agencies, but because I want to throw the whole thing into one issue: We either have a rule for all or for none.

Mr. CANNON of Missouri. The gentleman, of course, in whose legislative judgment I have the most profound confidence, will have to decide on that when the times comes. I am certain that he would not want to leave our forces desperately battling a savage enemy in the Orient today without a single service which this bill proposes to give them in the preservation of their lives and in their success on the battlefield.

Mr. MARCANTONIO. The gentleman can save these services by requesting a rule to make all of the war agencies, including FEPC, in order.

Mr. CANNON of Missouri. It is no more my duty to save these services and back up our fighting men than it is the duty of the gentleman from New York or any other Member of the Congress. It is an imperative duty and priceless privilege devolving upon all of us alike.

Mr. MARCANTONIO. Let us stop waving the flag here. There is nothing which is more important than this FEPC agency in the prosecution of this war. Raising the point of order is not going to kill these agencies, it is just going to raise the issue properly and squarely of discrimination employed against the FEPC appropriation. It will place the burden upon the Appropriations Committee for saving or killing the FEPC agency set up by President Roosevelt's Executive order and now most seriously defended by President Truman. It will compel it to go before the Rules Committee and request a rule that would make FEPC as well as the other agencies in order. It is a fair request in the interest of winning the war and not against its interests. If the Rules Committee refuses the request then it will assume full responsibility for the resulting calamity in the eyes of the Nation.

Mr. CANNON of Missouri. But if the gentleman from New York expects the Chairman of the Appropriations Committee, who is the least important member of that committee, by any rule, to dictate to the House and the other committees of the House it is like asking a small boy sitting along the curbstone watching the circus to direct the course of the elephants as the procession passes by.

Mr. MARCANTONIO. The gentleman just admitted that he accepted dictation from the Committee on Rules with regard to the FEPC agency.

Mr. CANNON of Missouri. It is the gentleman himself who is accepting dictation now because—

Mr. MARCANTONIO. No, no; the gentleman publicly confessed that because he had been notified by the Committee on Rules that it would not grant a rule for this bill if it contained FEPC, he took FEPC out of the bill; the gentleman confessed that. The gentleman is accepting dictation and the gentleman has not stated who pointed the pistol, but the country ought to know that, particularly in view of the President's message on this question.

Mrs. NORTON rose.

Mr. CANNON of Missouri. I yield to the gentleman from New Jersey.

Mrs. NORTON. I just want to say I think the chairman of the Committee on Appropriations has shown a great deal of courage in what he has said here today. We all knew the facts, we all know why FEPC was omitted, but it took a lot of courage to come before this House and tell the House that the Rules Committee, or a few members of the Rules Committee, were running this entire House. If the membership of the House is ready to stand for that, it is not the kind of House or the kind of Congress I think it is.

Mr. CANNON of Missouri. My good friend the gentleman from New Jersey realizes that I do not make any statement about the House or about any of the committees of the House. She has secured her information from newspapers or perhaps from members of the Committee on Rules itself; not from me. I have not today made any statement or given any information that cannot be secured through a cursory perusal of the public press at any time.

Returning to the question before us, the war agencies, I am glad to call attention to the reduced recommendations of the Bureau of the Budget throughout the list of agencies. The recent developments on the front reducing its status from a two-war campaign to a one-war campaign have made possible a corresponding reduction in the appropriations for the work of the agencies. Conditions developing in the last few weeks have made it possible for the Committee on Appropriations to still further reduce the estimates and our recommendations throughout the bill are materially less than those received from the Bureau on all agency appropriations.

Taking up the agencies categorically, the bill provides, first, for the War Labor Board, which performs a very necessary function. It handles disputes between management and labor, and during the war its services have not only been essential but highly successful. In view of the decreased burden placed upon the agencies by the progress of the war, we recommend a small cut in its Budget estimate. The Budget Bureau had already cut the agency \$980,000 below the appropriation for the current year, and the Committee on Appropriations made a further cut in the interest of economy of \$85,000.

The Office of Alien Property Custodian, for the administrative expenses of which allocation is made from funds over which the Custodian exercises control, a restric-

tive provision is recommended limiting the amount of such funds which may be used for the purpose and providing for its administrative expenses funds \$870,000 below the Budget estimate.

The Office of Civilian Defense, as I previously stated, has closed its work. In that connection I wish to pay tribute to the hundreds of thousands of men and women all over the Nation who at great inconvenience and sacrifice have contributed their services during the entire course of the war, without compensation or hope of reward, in order to render a needed service to their country.

The Office of Defense Transportation possibly has rendered services under more adverse conditions than those confronting any other of the war agencies. Faced with a burden which exceeded the capacity of its equipment, with a war traffic which broke all records involving transportation by water, rail, highway, and by air, under conditions which at times seemed impossible, it has moved the troops to the front, kept supplies moving to those troops, and at the same time continued the normal business of the country with remarkable efficiency.

I think we can judge the credit to which that agency is entitled by the statement which the German general, Von Runstedt, made in commenting on the factors entering into the defeat of the German forces. As will be recalled, it was his opinion that the critical factor contributing to German defeat was the destruction of transportation lines supplying the front. He said that they had the men and the material, but could not move them. While German transportation was paralyzed American transportation was functioning more efficiently than ever before. It was one of the differences between defeat and victory.

The Office of Economic Stabilization has been recently reorganized. It is necessary, therefore, to provide additional personnel. For that reason the cut in its budget was limited to reductions in travel and penalty mails, aggregating \$750, supplementing the reduction of \$96,250 recommended by the Bureau of the Budget under the current appropriation.

The Office of Scientific Research and Development has not only contributed immeasurably to the winning of the war but has at the same time made notable contributions to science which will be of lasting benefit to the Nation and the world. Due to the reduced needs of the armed services the committee recommends a reduction of \$7,500,000 in addition to the cut of \$32,000,000 recommended by the Budget.

The Office of Inter-American Affairs has performed an exceptionally important service in its contribution to a better understanding between the nations of the Western Hemisphere. The Budget estimate was \$3,693,000 below the appropriation for 1945, and the committee included a further reduction of \$1,880,000, to meet declining activities on the western front.

The Office of War Information has, through its Overseas Operations Branch, disseminated to our allies and the other nations of the world news regarding America's aims and intentions and the

news of the success of her war efforts, which have exerted a profound influence on world sentiment and brought about, both directly and indirectly, the capitulation of enemy forces which otherwise would have had to be taken at heavy cost. Its Domestic Operations Branch has provided indispensable service in the handling of information and insuring compliance with governmental policies and wartime regulations. The Budget estimate was reduced by \$18,875,367, and the committee thought the reduced field of action warranted a further cut of \$7,000,000.

The War Production Board handling allocation of materials and conversion of industry to peacetime purposes has already begun to scale down its activities. It has revoked 100 of its 420 control orders and expects to release an additional 100 in the next few months. Accordingly, the committee, in addition to the reduction of \$28,500,000 recommended in its estimate, further reduces its appropriation by \$4,148,000.

The Smaller War Plants Corporation, which has been notably effective in its equitable distribution of war contracts to the smaller industrial plants and in aiding such business organizations in the process of converting to peacetime operations, will be largely relieved by relaxation of controls over materials as reconversion advances, of the burden of securing proper allocation of short-supply items. Accordingly, the appropriation for the Corporation was reduced \$3,000,000 by the Budget estimate and \$1,000,000 by the committee.

The War Shipping Administration charged with the stupendous task of operating all American ships for the war period has made an outstanding record in administration and operation. In view of the fact that it reports an unobligated balance at the end of the year of \$50,000,000, the committee recommends \$40,000,000 less than the 1946 estimates leaving \$10,000,000 in the balance at the end of the fiscal year.

The Maritime Training Fund providing for the training program, which must continue as long as the fleet is increasing, permits a comparatively small reduction of \$8,270,000, under the cut of \$10,000,000 recommended by the Bureau.

The Office of Censorship will experience a drastic reduction in the censorship of mail with the cessation of the European war and the committee recommends a reduction of \$1,350,000 supplementing the Budget cut of \$11,593,000.

The Office of Strategic Services has played a large part in the success of our arms in Europe, and in view of the early discontinuance of that front the committee recommends a cut of \$18,166,000 below the reduction of \$23,000,000 recommended by the estimate.

The Petroleum Administration for War has accomplished the seemingly impossible in stretching our oil supplies to meet the staggering requirements of war—at home and abroad. In view of the heavy requirements devolving upon the PAW during the coming year a nominal cut of \$31,000 is recommended by the committee in connection with the small reduction of \$981,000 proposed by the Bureau.

The Office of Mobilization and Reconstruction, administering the War Mobilization, Contract Settlement, Surplus Property, and Retraining and Reemployment enactments is in charge of activities of growing importance and increasing obligations. So, to the recommended reduction of \$2,756,912 proposed by the Budget the committee proposed a further nominal cut of \$41,100.

The Selective Service is not greatly affected by the close of the European war. The number of men to be inducted during 1946 remains the same. But a reduction of \$2,500,000 is recommended in the expectation that there will be some consolidation of boards and some saving in travel items during the year.

The War Relocation Authority is closing its work and this is the last year an appropriation will be required. The Tule Lake center will be transferred to the Department of Justice, and it will be entirely out of business by June 30, 1946.

As will be noted, the reduction in activities and a resultant reduction of recommendation of appropriations for support of the agencies is appreciable. They will be abolished as soon as national security no longer requires their operation. But the Japanese war calls for such continued effort in every department of military and civilian activities that we are still under the necessity of providing funds to meet all exigencies. For this reason precipitate reductions cannot be made where not authoritatively and unmistakably indicated.

At the same time, no opportunity to economize is overlooked and every practicable reduction is being made. The committee has already presented two joint resolutions proposing rescissions in appropriations for the fiscal year 1945. Under the provisions of section 303 of the Second Deficiency Appropriation Act of 1944 the Bureau of the Budget is charged with maintaining a close surveillance over wartime appropriations in order to recapture all surplus funds. Such rescissions are expected to increase in frequency and amounts as the progress of the war permits.

Mr. BENDER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BENDER. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Thirty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 100]

Allen, La.	Bloom	Clason
Andersen,	Bonner	Cole, N. Y.
H. Carl	Boren	Cooley
Anderson, Calif.	Bradley, Mich.	Courtney
Anderson,	Bradley, Pa.	Daughton, Va.
N. Mex.	Brumbaugh	Dawson
Andersen,	Buck	Dingell
August H.	Burch	Dirksen
Andrews, N. Y.	Burgin	Domeneaux
Auchincloss	Canfield	Douglas, Calif.
Bailey	Cannon, Fla.	Doyle
Barden	Carlson	Drewry
Barry	Case, N. J.	Durham
Bennett, Mo.	Celler	Earthman

Eaton	LaFollette	Roe, N. Y.
Fellows	Lesinski	Rogers, N. Y.
Flannagan	McGlinchey	Savage
Flood	McMillan, S. C.	Scrivner
Fogarty	McMillen, Ill.	Shafer
Gossett	Mansfield,	Sharp
Grant, Ala.	Mont.	Sheppard
Grant, Ind.	Martin of Iowa	Short
Gross	Mason	Sikes
Hand	May	Simpson, Pa.
Harless	Miller, Nebr.	Slaughter
Hébert	Morrison	Smith, Ohio
Heffernan	Norton	Stefan
Hess	O'Brien, Mich.	Stewart
Hobbs	Pace	Stockman
Hollifield	Peterson, Fla.	Sumner, Ill.
Hook	Peterson, Ga.	Thomas, Tex.
Hope	Ploeser	Torrens
Jackson	Plumley	Vinson
Jarman	Price, Ill.	Vursell
Jennings	Quinn	Wadsworth
Johnson, Calif.	Rabaut	Walter
Johnson, Ill.	Randolph	Weaver
Johnson,	Rayfield	Weichel
Lyndon B.	Reece, Tenn.	White
Kee	Reed, Ill.	Whitten
Keogh	Rivers	Winter
Kopplemann	Rodgers, Pa.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3368) making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 307 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, may I ask the majority leader as to the program for this week and next week?

Mr. McCORMACK. There are no bills reported by the District of Columbia Committee, therefore no bills from that committee will be called up on next Monday. The first order of business will be the consideration of a discharge petition in connection with H. R. 7, the anti-poll-tax bill. Debate on that is limited to 20 minutes, 10 minutes to each side. If the committee is discharged, then the matter comes up for debate under the rules of the House on the following day.

Then on Monday, if in order, the House will consider H. R. 3393, the pay-raise bill. I understand the gentleman from Georgia [Mr. RAMSPECK] will ask unanimous consent that it be in order to consider that bill next week.

On Tuesday, if the committee is discharged, the House will consider H. R. 7, the anti-poll-tax bill. That will come up under the rules of the House if the committee is discharged from further consideration on Monday.

On Wednesday the House will consider H. R. 3395, extension of the Renegotiation Act. Unanimous consent has already been granted for the consideration of that bill next week.

On Thursday we will take up House Joint Resolution 202, a bill out of the Appropriations Committee reducing appropriations available in the fiscal year ending June 30, 1945.

On Friday we will take up the Carden bill, H. R. 1270, which is a private claims bill.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield.

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. HOFFMAN. May I ask the majority leader if he has any information as to when the leadership on that side is going to follow the President's recommendation and bring out the FEPC bill?

Mr. McCORMACK. No rule has been reported out on that as yet.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, first of all I want to assure the Members that I had nothing to do with the making of this quorum call.

Mr. Chairman, the Truman administration seems to be adhering closely to the standard New Deal policy of trying to influence elections with the expenditure of public money, or promising to spend public money.

Last Tuesday a special election was held in the Second District of Montana, which is the eastern part of the State. As chairman of the Republican Congressional Committee I was of course much interested in that election. The Republican candidate won decisively, reversing the political situation which has prevailed in the district for 14 years.

On the Tuesday just preceding the election, Edwin D. McKim, Chief Administrative Assistant to President Truman, sent a telegram from the White House to our colleague, Hon. MIKE MANSFIELD, Democrat, representing the First Montana District, who was at that time in the Second District actively campaigning for the Democratic candidate in the special election. The telegram was sent to the gentleman from Montana [Mr. MANSFIELD], at Miles City. It read as follows:

The Veterans' Administration has advised me that the hospital will go to eastern Montana.

I have called Mr. McKim and he tells me he sent the telegram. A child would understand the reason why the telegram was sent. Widespread use was made of it over the radio and in the press during the campaign.

All of which was bad enough but here are further facts of importance: General Hines, of the Veterans' Administration, tells me that no decision has been reached as to where the hospital shall be located. There is an appropriation for a hospital to be located either in North Dakota or eastern Montana, but the Veterans' Administration has not yet determined which State shall get it. Mr. McKim, when I talked with him this morning, said he has no further information I told him of the statement made to me by General Hines. His answer was that he had reason to believe the location of the hospital had been determined as indicated in his telegram, and that he sent it in good faith. But the truth is that this matter had not been decided and is not yet decided. All of which adds up to clear

proof of the cynicism of the political operations of the present administration which seems determined to continue the policy of buying elections with the taxpayers' money. This action was even worse because the telegram designed to influence votes did not speak the truth unless there is a superauthority over the Veterans' Administration and its Board, which determines the locations of hospitals. If this superauthority is operating, that fact is as shocking as the effort to buy the votes.

The people resent such tactics, and an administration which resorts to this kind of cheap political trickery will not and cannot retain the confidence of the people. It is obvious that the people of eastern Montana did not fall for this vicious kind of political activity.

We all remember the early days of the New Deal when millions of dollars of relief funds, spent by the WPA and other agencies, were used to buy votes. It became a national scandal at that time. The Nation will not permit the money it appropriates to care for its war veterans to be misused for similar purposes. The voters in the Second District of Montana gave their verdict on that subject on Tuesday.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from North Dakota.

Mr. LEMKE. I wish to assure the gentleman that this week I was assured by those who do the selecting of the location of that hospital that no politics will be played and that no decision had been made. I shall hate to believe that the President of the United States will interfere and play politics with a hospital for the veterans, but we shall wait and see. I sincerely hope and believe that the person who sent that telegram was not speaking for the Veterans' Administration.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this is a bill making appropriations for war agencies. As such, it deserves particular consideration. With the war in Europe at an end, every curtailment and elimination of war agencies that can safely be made should be made now.

This bill has not received proper consideration, in my judgment.

Despite over 1,300 pages of hearings, the bill was marked up in 2 hours and 35 minutes by the clock. It was marked up in the absence of about 50 percent of the testimony, which was neither printed nor available. It was marked up in the absence of four of the seven majority members of the subcommittee. In their places were two members of the majority who were not members of the subcommittee and who did not hear any of the testimony. Arbitrary and hasty action is not conducive to wise economy. It is unfair to the Congress and to the country.

The bill, Mr. Chairman, is filled with legislative provisions from start to finish. It is the most slipshod appropriation bill to come before the House.

The rule sought by the majority members of the committee would make it

impossible to improve matters through points of order.

Some weeks ago the chairman of the Appropriations Committee wrote to the Director of the Bureau of the Budget stating, as I am informed, that never in his recollection in connection with appropriation matters had he seen so much opposition to legislation on appropriation bills, and requesting the Director to serve notice on all departments and agencies that the House committee would not consider those items in the future unless supported by proper substantive legislation.

This is the fourth rule, Mr. Chairman, sought under the leadership of the chairman of the Appropriations Committee since his letter to the Budget Bureau designed to prevent legislation in appropriation bills.

Attention is called, in passing, to the fact that the estimates of these war agencies were not submitted at the beginning of the session as a part of the estimates for the fiscal year 1946, as required by the Budget and Accounting Act. On the contrary, hearings before the Bureau of the Budget were deferred by order of that Bureau until well after the commencement of the session and the submission of estimates for the regular agencies of the Government.

The requirement of the Bureau of the Budget that agencies submit their requests in terms of man-years instead of the number of persons employed and to be employed is also in clear contravention of the Budget and Accounting Act.

The time available makes impossible detailed discussion of all the agencies provided for in this bill. It is not possible even to refer to matters of importance developed in the course of the hearings.

I shall limit myself to comments on a number of agencies which, it seems to me, are particularly important to bring to the attention of the Congress at this time.

By way of summary, in the light of the record, I make the following suggestions: First, that the Office of Economic Stabilization be terminated immediately; second, that the War Relocation Authority be liquidated by December 31, 1945; third, that the requests of OWI and OIAA be slashed with a view to the liquidation of the agencies as soon as possible, such of their functions as may be determined to be essential to be transferred for operation to the State Department or the high command; fourth, that a thorough-going investigation of WSA be conducted, having in mind the possibility of terminating the revolving fund of the agency in favor of direct appropriations and of liquidating the agency by transfer of funds and functions to the Maritime Commission, as originally provided by the Congress; fifth, that the closest possible control be maintained over the Office of Contract Settlements and the Surplus Property Board with a view to safeguarding the taxpayers against manifest opportunities for waste and abuse.

OFFICE OF ECONOMIC STABILIZATION

The Office of Economic Stabilization was set up originally by Executive order.

The agency is a small one and, in my opinion, could well be eliminated at this time. Under our former colleague, Judge Vinson, the agency got along with a personnel of 16 and an expenditure of \$89,000. Mr. Davis, the new head, requests a personnel and an appropriation more than double that of his predecessor.

The function of the agency is purely that of alleged coordination of various war agencies, and it acts, in effect, as an umpire if agency heads cannot agree. Mr. Davis states, and I quote:

I find myself in a good deal of sympathy with the idea that no coordination is necessary if those agencies will coordinate themselves—

And further—

If there should not be another such office, I will be glad to be relieved of the duties.

Our former colleague, Judge Vinson, is, of course, thoroughly familiar with the functions of this agency. He has taken his entire staff with him to the Office of War Mobilization and Reconversion. In my judgment, we should wind up the affairs of the Office of Economic Stabilization and permit Judge Vinson to do any umpiring that may be necessary.

OFFICE OF WAR INFORMATION

The Office of War Information was also created by Executive order. Since 1943 funds have been made available to it in the amount of \$132,320,000.

The agency requests an appropriation of \$42,000,000 as compared with an estimated expenditure in the current fiscal year of \$51,000,000.

In other words, Mr. Chairman, with the war in Europe over, OWI requests an appropriation of 83 percent of its Global War expenditure and advises the committee that it intends to divide its overseas expenditures, 53 percent as to Europe and 47 percent as to the Pacific.

Frankly, any such request at this time does not make sense to me, in the light of available information.

I have always been critical of the work of this agency. In the absence of a full-dress investigation to determine exactly what the agency has done, I have always felt that much of its work has been valueless and therefore wasteful; that some of its work has been actually harmful, and that, due to a lack of proper investigation as to loyalty, there have been included among its personnel those who should not have been included on any pay roll of the Federal Government.

In this connection the record indicates denial of or removal from employment in respect to 351 persons due to lack of loyalty, with 1,431 loyalty investigations yet to be completed by the Civil Service Commission. The record further indicates that, included in 2 lists of about 80 employees, brought to the special attention of OWI 1 year and 2 years ago, many of whom have been eliminated from the rolls, there are still 11 whose investigations have not been completed.

I hope that the Committee on Un-American Activities will have this situation in mind, not only in respect to persons awaiting investigations by the Commission but in respect to certain who have apparently been given clearance by the Commission.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. GAVIN. How many are on the pay roll of OWI at the present time, would you say, approximately?

Mr. WIGGLESWORTH. They had a total of 9,645 man-years in the current year, and are asking for 7,926 in the next fiscal year.

Mr. GAVIN. What percentage of those are foreigners, would you say?

Mr. WIGGLESWORTH. I cannot tell exactly the number of foreigners, but the record shows 413 aliens on the rolls, not including those who may have been picked up overseas in the various countries in which OWI is operating.

Mr. GAVIN. Is it the intention of the committee to offer an amendment to strike out this OWI agency from the bill?

Mr. WIGGLESWORTH. It is the intention of the minority members of the committee to offer an amendment which will at least serve to effect a drastic reduction in the request, with a view to the liquidation of the agency as a whole at the earliest possible time.

Mr. GAVIN. May I ask what the gentleman means by "at the earliest possible time"? In view of the fact that it is so unnecessary and nonessential and a waste of the American taxpayers' money, it is about time we got rid of this agency right now. In other words, let us cut out unnecessary and nonessential expenditures. Our boys over there doing the fighting have to come home and take off their coats and go out and find a job and earn the money to keep these people on the public pay roll. Why not effect some economies and blot it out? Now is the time to get rid of it. Why wait to liquidate it 6 months from now? The committee should recommend to the House to take it out. Somebody should offer an amendment to eliminate the entire appropriation. Certainly the War Department, the Navy Department, and the various departments of the Government can handle everything that the OWI now does, in a very efficient manner, and save some \$42,000,000 for the American taxpayers.

Mr. WIGGLESWORTH. I will say to the gentleman if I were doing the job myself, I think I would provide sufficient funds for liquidation in the near future, and couple with that the proviso that any functions that may be determined to be essential shall be taken over by the State Department or by the high command. Of course, neither the gentleman nor I want to do anything which would militate against the war effort in the Pacific.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. VORYS of Ohio. Recently there were seven Belgian journalists brought to this country on a 6 weeks' tour under the auspices of the OWI. The Foreign Affairs Committee of the House of Representatives was host to those people at a luncheon in the Speaker's office, for which we paid out of our own pockets. I know that in the release that OWI gave about this trip they made no mention about this luncheon, but did name a

number of social and other functions these journalists had attended. I have attempted to find out under what appropriation, foreign or domestic, of the OWI such an adjunct, possibly beneficial adjunct, was carried on. Can the gentleman answer that question?

Mr. WIGGLESWORTH. The agency very definitely has funds for bringing various people from overseas in some such manner as the gentleman indicates. I believe the gentleman will find in the hearings on the pending bill a list of those who have been brought to this country recently under the auspices of the OWI.

Mr. VORYS of Ohio. I noticed that many of these journalists spoke excellent English. Their speeches and the release of OWI showed that part of the purpose of the trip was to put out domestic propaganda for OWI in the United States. It would strike me that that is a peculiar way to spend money assigned to overseas activities—use it for propaganda not in Belgium but for the OWI itself in the United States.

Mr. WIGGLESWORTH. The alleged purpose is to give those who are brought here from other countries a better picture of this country for dissemination when they return home.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. REES of Kansas. My attention has been called recently to the fact that OWI representatives attend various committee meetings and sessions of Congress. I am wondering whether this sort of thing is necessary. It seems to me they can secure the same information, if they need it, if they have any use for it, by consulting the CONGRESSIONAL RECORD or the hearings of these various committees. I am wondering whether or not the gentleman agrees with me that that service is useless?

Mr. WIGGLESWORTH. I may say to the gentleman from Kansas that I am not familiar with that service. I have read in the newspapers recently however that the OWI has made the very kind suggestion, as I understand it, that it might conduct our correspondence with our constituents for us.

Mr. REES of Kansas. Just one thing further, if the gentleman will permit, I had this experience recently: A gentleman called on me who said he was a representative of OWI. He wanted to know about a special order I had for the next day, said he wanted to examine the bill on which I was going to talk and would like to have a copy of the address. He said he was sure it would be of interest to their organization, particularly to the Overseas Division of the OWI, that he was quite sure the European countries would be interested in the statement I was to make. It happened that that particular statement was with respect to the question of rabies in this country. I told him that I did not think the European countries would be particularly interested in that subject matter. He said he thought they would be, he was quite sure. The next day he furnished me with a little document to be sent overseas containing an item on

my statement about the question of rabies. I mention this only to show the uselessness of it as I see it. There may be some good in OWI, but in my judgment the thing has gone too far.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield briefly.

Mr. GAVIN. It is quite apparent from the gentleman's splendid statement that he has made a thorough study of OWI. Can the gentleman tell us about George E. Taylor, who is the assistant to Dr. Elmer Davis? I mean just give us a sketchy background. I was very much interested as to who he was and where he came from and all about him, because if Davis should resign he would step in and be in charge of the propaganda concerning this great Nation of ours. I wonder if the gentleman could tell us something about him.

Mr. WIGGLESWORTH. I may say to the gentleman from Pennsylvania that all I know about Mr. Taylor is that he appeared before the committee and gave some testimony. As the gentleman will find from the hearings, at the request of the gentleman from New York [Mr. TABER], he inserted in the hearings a statement as to his experience and background. I do not have any additional information.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. In answer to the gentleman from Pennsylvania, the gentleman from Massachusetts said that the members of the minority on the committee were contemplating offering an amendment to pare down the appropriation for OWI. May I ask the gentleman if he can divulge the amount of the reduction that they are going to ask for?

Mr. WIGGLESWORTH. That will appear at the proper time. The matter is still under consideration.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I have not had an opportunity to read the hearings, but may I ask, Was there any testimony on the part of the Army or Navy with reference to this particular item, either for or against it?

Mr. WIGGLESWORTH. I may say to the gentleman that at my request an effort was made through the Joint Chiefs of Staff to obtain a specific opinion from each of the six theater commanders as to the value of OWI services, if any, in the respective theaters. To date no response has been received.

Mr. SMITH of Wisconsin. Then we have no testimony?

Mr. WIGGLESWORTH. There is some testimony in the hearings, but it refers to pre-VE-day and, therefore, is not particularly helpful from my standpoint as to the picture which now confronts us.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, I do not know anything about OWI activities in respect to rabies that the gentleman from Kansas referred to, but here is a brief summary of the work of the Overseas Branch of the OWI in the current fiscal year:

Radio, 1,000 programs a week: Criticism based on the character of broadcasts by disks such as Hungarian, Italian, Polish, and Yugoslav disks has apparently continued.

Motion pictures: 177 films other than news reels. Among many other reels listed in the record are Cowboy, City Harvest, Steel Town, Jeep, Social Security, Yellow Springs, and Library of Congress.

News and Features Bureau:

Radiophotos	2,644
Prints	32,433
Negatives	12,437
Plastic plates	16,393
Exhibits	352
Film strips	1,549
Microfilm (feet)	8,115
Total	73,923

Publications: 12,612,890 publications, booklets, and pamphlets. Included in the list are such publications as Alphabet Primer of Friendship, Wall Calendar, Map of the U. S., Music in the U. S. A., Small Town, U. S. A., Women of the U. S. A., Rights of Man, and a series of Photo Reviews.

I am told there are some 30 or more publications now in the course of preparation, written largely by those having little knowledge of Germany and the Germans, drawing in some instances a sharp line between the Nazis as a whole and the military, and having little value under present conditions.

A study of data furnished in reference to the Domestic Branch activities, for which \$1,300,000 is recommended, shows that the Branch has not only continued to coordinate all official statements and releases, but has acted as a focal point for all Government campaigns through radio, moving pictures, books, magazines, and graphics, serving 3,000 libraries, and an unknown number of colleges and lecturers.

Attention is called to the fact that the law makes it an offense punishable by removal from office and fine and imprisonment for any official or employee of the Federal Government to use any appropriated funds through advertisement, printed or written matter, directly or indirectly, to influence Members of Congress to favor or oppose, by vote or otherwise, directly or indirectly, any legislation or appropriation before or after the introduction of any bill or resolution.

Certain Government campaigns where policy has been determined may be proper. Other campaigns, in respect to such matters as Dumbarton Oaks, Bretton Woods, revision of trade agreements, or other questions in respect to which policy has not been determined, may well violate both the spirit and the letter of the law, if not carefully handled.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I have been informed by a member of a delegation from this body who was in London some time ago that he had not much more than reached his hotel when he was waited on by a gentleman who said that he represented the OWI; who told him that he had a fine automobile at his disposal to show him the city and take him about wherever he would like to go and render any other service that he might wish in order to make the situation more comfortable and more pleasant while he was in that country. He said he took advantage of the use of the car. It was a great, big, fine automobile, chauffeured by an American citizen. They proceeded to show him the city and the country about. Besides that, they offered him the facilities of the radio and anything else that might be to his pleasure while he was there.

Does the gentleman think that that sort of thing is necessary? Does the gentleman think the taxpayers ought to pay for that sort of thing?

Mr. WIGGLESWORTH. May I say to the gentleman that the expenditure of funds in Europe, proposed under present conditions, seems to be out of all reason.

Mr. REES of Kansas. May I say, Mr. Chairman, while I have the floor, that the gentleman is making a very interesting and informative statement with respect to this legislation.

Mr. WIGGLESWORTH. I thank the gentleman.

If OWI has its way, it will continue its Domestic Branch on a slightly reduced scale, will increase its activities in the Pacific about 33 percent, and will continue operations in Europe on the basis of \$18,800,000.

OWI opposes liquidation in Europe prior to the termination of the war in the Pacific. It maintains that, as long as there is a war with any country, it has authority to carry on its operations in all countries. It gives its functions in Europe as, first, informing Europe about the Japanese war; second, assisting public relations between the American forces and the local populations; and, third, telling the people of Europe what America is like, and what its objects are.

For these purposes, it proposes to maintain, in addition to its huge set-up in this country, a personnel of over 2,500 in countries outside the Orient as compared with about 1,700 in the Orient. A break-down by countries appears in the table at page 947 of the hearings.

Specifically with reference to Germany, OWI proposes to operate newspapers in the American zone for the time being; to conduct radio news services; to supervise moving pictures; and, apparently, if it has its way, to permit no newspapers to circulate in Germany from anyplace in the world except those put out by the OWI and the military high command.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Ohio.

Mrs. BOLTON. May I ask the gentleman if he has any opinion whether or not the OWI should be done away with in Europe?

Mr. WIGGLESWORTH. My view, as I tried to make plain, is that the proposed appropriation should be drastically reduced, with a view to liquidating the OWI at the earliest possible moment, any functions that may be determined to be essential being turned over either to the State Department or the High Command.

Mrs. BOLTON. May I ask the gentleman what arm we would then have to do the thing other countries are doing, selling themselves to these countries?

Mr. WIGGLESWORTH. I would do it either under the State Department or under the High Command.

Mrs. BOLTON. Has the State Department the adequate force, the personnel, and the "savvy" to do it?

Mr. WIGGLESWORTH. Congress can provide whatever is necessary in terms of functions deemed to be essential.

Mrs. BOLTON. We have suffered so very much from the fact that we have almost no one over there that is trained in any of these methods, and if we do not have something better to put in its place, it would seem to me very unwise to take away that which we have.

Mr. WIGGLESWORTH. I agree with the gentleman, but I think it should not be difficult to substitute something more efficient insofar as necessary for the present organization.

Mrs. BOLTON. I wonder if the gentleman knows the history, for instance, of the OWI work in Turkey and in north Africa, the things they have done, the things that we know because of OWI.

Mr. WIGGLESWORTH. If the gentleman will pardon me, I do not want to go into too much detail at this time because I have further ground I want to cover.

Mrs. BOLTON. Does the OSS enter into what should be put in its place?

Mr. WIGGLESWORTH. No; the OSS functions differently.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. May I say to the distinguished gentleman that I think the OSS ought to go out with the OWI; in fact, I think they both ought to be taken out.

Mr. WIGGLESWORTH. Mr. Davis states, Mr. Chairman, and I quote:

I am afraid the average German is not going to get religion without a good deal of evangelization, and it will require not only the work of a staff in Germany, but the supplying of materials—news, radio programs, publications, pictures, and so on from our offices and our London base.

In other words, Germany is to be re-educated.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. How can that be reconciled with the statement of Pastor Niemöller that the Germans want to be regulated and controlled and do not want our democratic ideas?

Mr. WIGGLESWORTH. May I say to the distinguished gentleman from Pennsylvania that I once spent 4 years in Germany in reparation days after the last war, and that, in my opinion, any thought that the German people can be reeducated within any reasonable period of time by American propaganda which it is forced to consume is nonsense. We have only to consider the results of the attempted reeducation of Poland during more than 100 years of her partition by Austria, Germany, and Russia to find confirmation of this fact.

I would, of course, Mr. Chairman, do nothing to impair the war effort. I doubt very much, however, the wisdom of continuing OWI, particularly in Europe and on the domestic front.

A news story out of London dated March 28 and, therefore, well before VE-day, quotes Mr. Davis as stating that there was no outlook that OWI would become a permanent agency after the war. He added that some of its overseas services would be incorporated into the State Department as a supplement to American news agencies in foreign countries.

In my opinion, his implied suggestion is a sound one. I think we should slash the requested appropriation with a view to the liquidation of the agency as soon as possible, allowing the State Department or the high command to assume such functions of the agency as may be determined to be essential.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Did I understand the gentleman correctly? I understood him to say that the OWI took the position that as to publication, for instance, OWI was the only disseminating body for Germany, that they should have full charge and full control of that.

Mr. WIGGLESWORTH. I said that appeared to be their desire if they were to put their program into effect. The gentleman has in mind the statement by the President recently indicating that he does not see eye to eye with that policy. But even after that statement Mr. Davis informed your committee, that the matter was still under consideration.

Mr. RIZLEY. It is my understanding that as far as our army of occupation is concerned, the only country we are to occupy over there, in view of the recent agreement, is Bavaria.

Since we have turned this other occupied territory back to either the British or the Russians, which territory was taken by our troops, will we still be permitted to go into that territory with our publications and sell them American propaganda?

Mr. WIGGLESWORTH. Into which parts of Germany?

Mr. RIZLEY. Into any part which is occupied by the Russians, we will say, or by the British.

Mr. WIGGLESWORTH. I cannot answer the gentleman's question.

Mr. RIZLEY. If not, it seems to me the need for this part of the appropriation can be put down considerably since the beginning of the war.

Mr. WIGGLESWORTH. I agree with the gentleman. The requested expenditures is excessive.

OFFICE OF INTER-AMERICAN AFFAIRS

The Office of Inter-American Affairs, successor to the Coordinator of Inter-American Affairs, is also a creature of Executive order.

One hundred forty-four million nine hundred thousand dollars, including contract authorizations not yet liquidated, have been made available for this agency; \$80,000,000 of this has been utilized for the capital of the agency's five corporations, and \$64,000,000 for other purposes.

The Budget estimate amounts to \$15,800,000 for the fiscal year 1946, as compared with \$17,500,000 to be expended in the current fiscal year. The committee recommendation is \$14,000,000.

The agency contemplates spending \$10,300,000 through its motion picture, radio, and press and publications divisions, and something over \$3,500,000 on its programs of cooperative education, health and sanitation, food, and emergency rehabilitation.

The Congress has, in effect, given this agency a blank check authority to obligate and spend millions of its dollars. It is true that the general outlines of expenditure have been considered in connection with appropriations, but no detailed check, insofar as projects are concerned, has been made. The result has been, in my judgment, that no proper control has been maintained and that money has been spent unwisely and wastefully.

The agency has presented to the committee this year a document entitled "Status of Projects of the Office of Coordinator of Inter-American Affairs, October 1 to December 31, 1944."

This document contains 151 sheets of paper about 9 x 15 inches and is too voluminous for the committee hearings or the CONGRESSIONAL RECORD. It discloses the operation of projects covering wide ranges, from motion-picture scripts for publicizing the Little Red Schoolhouse, New York's Bronx Zoo, and Fulton Fish Market to the construction and operation of costly hospitals, sanitation, training, malaria control, sewage disposal, radio broadcasting, newspapers, news services, and numerous other ventures in 20 South and Central American Republics.

Under leave to extend my remarks, I include at this point a brief summary of the projects by their principal categories and countries. It will be noted that the projects referred to in the quarter ended December 31, 1944, number 1,186 at a cost of \$40,510,189.11.

Status of projects of the Office of Coordinator of Inter-American Affairs, Oct. 1 to Dec. 31, 1944

Departments and divisions	Numbers of projects	Amounts of projects
DEPARTMENT OF BASIC ECONOMY		
Division of Food Supply.....	7	\$117,450.00
Division of Health and Sanitation.....	78	1,880,987.69
Division of Training.....	13	2,571,160.00
All divisions.....	3	1,493,900.00
	101	6,063,497.69
Division of Food Supply:		
Costa Rica.....	2	520,871.00
El Salvador.....	3	16,300.00
Haiti.....	4	129,000.00
Honduras.....	4	1,457,515.37
Nicaragua.....	5	108,999.80
Panama.....	6	126,000.00
Paraguay.....	9	433,500.00
Peru.....	24	421,995.96
Venezuela.....	16	856,188.00
	73	4,070,430.13
Division of Health and Sanitation:		
Brazil.....	71	807,669.06
Chile.....	20	1,244,641.37
Colombia.....	64	1,893,119.00
Costa Rica.....	31	657,552.48
Dominican Republic.....	4	63,309.53
Ecuador.....	64	2,998,807.42
El Salvador.....	42	723,987.64
Guatemala.....	12	723,111.81
Haiti.....	33	437,437.00
Honduras.....	28	756,183.00
Mexico.....	22	913,000.00
Nicaragua.....	54	676,256.51
Panama.....	11	456,682.14
Paraguay.....	23	1,145,400.00
Peru.....	63	1,449,733.26
Uruguay.....	12	139,389.43
Venezuela.....	13	1,061,000.00
	567	16,150,279.65
DEPARTMENT OF ECONOMIC DEVELOPMENT		
Division of Assistant Coordinator.....	13	278,352.95
Division of Research.....	4	33,767.00
	17	312,119.95
DEPARTMENT OF INFORMATION		
Division of Assistant Coordinator.....	2	107,000.00
Division of Education.....	17	334,055.02
Division of Inter-American Educational Foundation, Inc.....	64	2,915,390.98
Division of Motion Pictures.....	66	2,950,705.50
Division of Press.....	58	2,077,604.00
Division of Radio.....	130	3,920,777.75
Regional.....	23	605,098.00
	360	12,910,631.25
DEPARTMENT OF TRANSPORTATION		
Division, if any, unidentified.....	19	550,108.46
DEPARTMENT OF UNITED STATES ACTIVITIES, SPECIAL SERVICES		
Division, if any, unidentified.....	49	453,121.98
RECAPITULATION		
Departments and divisions	Number of projects	Totals of projects
Department of Basic Economy.....	101	\$6,063,497.69
Division of Food Supply.....	73	4,070,430.13
Division of Health and Sanitation.....	567	16,150,279.65
Department of Economic Development.....	17	312,119.95
Department of Information.....	360	12,910,631.25
Department of Transportation.....	19	550,108.46
Department of United States Activities and Special Services.....	49	453,121.98
Totals.....	1,186	40,510,189.11

Descriptions of a few of the 1,186 projects follow:

Funds for South American trip of representatives of the Children's Bureau, Department of Labor, project amount, \$1,980.54.

Biostatistical and epidemiological information in the other American Republics, project amount, \$25,000.

In-service social-work scholarships, 1942-43 funds, project amount, \$12,000.

Latin-American social-work fellowships, extended 1943, project amount, \$25,000.

Intern-training program for economists for the other American republics, project amount, \$52,000.

In-service training program for agricultural economists of the other American republics, project amount, \$9,150.

Basic economy motion pictures, project amount, \$500,000.

Transportation survey—completed, project amount not shown.

Home-economics training—6-month course, Caracas, project amount, \$17,528.

Tocoran subdivision and reclamation—to subdivide a large Government-owned and operated farm of approximately 5,000 acres into small farms, 100-200 acres, and to transfer these units to private ownership, and so forth, project amount, \$93,886.

Purchase of a launch for the State of Amazonas, project amount, \$12,500.

Medical care for migrants—11 projects—project totals \$263,492.

Public laundry at San Salvador; project amount, \$17,000.

Slaughterhouse at San Salvador; project amount, \$99,000.

Cauce Oriental—flood control; project amount, \$53,000.

Scholarships for the training of visitadores and guardas sanitarios; project amount, \$20,700.

Jail improvement at Iquitos; project amount, \$1,233.

Display of sanitary privies and private water-supply models, Reio Negro Depto.; project amount, \$4,003.70.

Construction of public laundry at Triente y Trece; project amount, \$6,468.

Project No. BMP-5-4393, page 94 of the document hereinbefore mentioned, is described as follows:

Purchase of scripts, \$4,500.

Completed. Eighteen scripts were purchased. Eight were written for basic economy film program, and will be used for footage shot in Latin America by Carl Pryor. Titles of the other scripts are: "Women's Fashions," "Adult Education," "American Girls," "Fulton Fish Market," "Music on the Air," "Small Town," "Collins Machete Factory," "Little Red Schoolhouse," "Bronx Zoo," "Mosquito Control."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield 10 additional minutes to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Here again the broad question arises of the liquidation of this war agency. About a year ago, on April 13, 1944, to be exact, Mr. Rockefeller appeared before your committee and, among other things, as appears at page 938 of the hearings on last

year's bill, made the following statement:

Our policy is to continue as long as necessary the activities which were essential to the war, and then to taper them off with as little dislocation as possible. Other activities which should be made a part of the permanent program of this Government, we hope to place in permanent Government agencies and thereby be in a position, as rapidly as commensurate with the best interests from the point of view of all to liquidate the agency.

Mr. Rockefeller went on to point out that the end of the work of the Basic Economy Department and of the educational program was in sight; that the economic development program and the transportation work should be capable of being carried on by private enterprises; that the inter-American training group and other programs comprised, in his judgment, the peacetime activities of private interests, and that the cultural-relations program to the tune, I believe, of \$1,500,000 had already been turned over to the State Department. This, he said, left largely the information program through the radio, moving pictures, and press, which, he felt very definitely, was a wartime program.

In other words, he left the impression that the agency was on the road to substantial curtailment and liquidation.

The war in Europe is now over, and yet we find this agency requesting an appropriation of \$15,800,000 as compared with an estimated expenditure of \$17,500,000 in the current fiscal year.

In my opinion, this appropriation should also be reduced and consideration given to the liquidation of the agency, at an early date, such functions as may be determined to be essential to be turned over to the State Department by the Congress.

OFFICE OF WAR MOBILIZATION AND RECONVERSION

The Office of War Mobilization and Reconversion includes not only the office under Judge Vinson, but the Retraining and Reeducation Administration under General Hines, the Office of Contract Settlement, and the Surplus Property Board. The last two named are new agencies, both of them, in my judgment, fraught with the possibility of waste and scandal if not meticulously operated in the interest of the taxpayers.

The Office of Contract Settlement has settled \$18,000,000 worth of contracts out of \$27,000,000 cancelled.

It serves as an appeal board on appeals by contractors. There is no appeal by the Government in the interest of the taxpayers, decisions being final as to the Government. It also purports to define policy for 26 contracting agencies, many of whom will, apparently, act in terminating and settling their own contracts.

The agency's printed report to Congress of April 1945, indicates that authority has been delegated, in certain instances, to prime contractors to terminate and make final settlements of their contracts with subcontractors, with funds made available for that purpose.

The value of the Board, if it is to serve merely as a coordinating agency, is open to question.

The Surplus Property Board requests an appropriation of \$2,619,000 for administrative expenditure and \$60,000,000 for the expenses of nine disposal agencies which it has designated.

This Board also serves as a coordinating agency defining policies for the disposal agencies.

The Board estimates eventual surplus property at anywhere from \$50,000,000,000 to \$100,000,000,000. It has already received \$1,665,000,000 of property and has disposed of \$265,000,000 of it at a cost of \$164,000,000, or about 62 percent of its cost.

All disposal agencies are owner agencies. No check whatever to date has been made on prices asked for property disposed of. The act under which the Board operates is, in my judgment, very loosely drawn; and the utmost care, both as to personnel and methods, is vital if trouble is to be avoided.

As Senator JOHNSON of California stated to Colonel Heller, a member of the Board, when the latter appeared before the Senate Committee on Military Affairs, "The saints in heaven will be condemned in a few years over what this Board does."

WAR RELOCATION AUTHORITY

This agency is also the result of Executive order. During the 3 years of its existence it has received funds in the amount of \$157,000,000. Its present request is for \$25,140,000 as compared with an appropriation of \$37,500,000 for the current fiscal year.

On the basis of the record, this agency should be wound up immediately.

Of the 120,000 people, or thereabouts, who have been under its control, 53,000 remained to be relocated at the time of the hearings, in addition to some 20,000 at Tule Lake, who have been placed there because of a lack of loyalty, a desire to return to Japan, or similar reasons. It was stated that 37,000 would remain outside of Tule Lake as of June 30, indicating a reduction of 16,000 by that time.

Under a ruling of the War Department on December 17, 1944, almost 6 months ago, all are free to leave, aside from those at Tule Lake. Under a recent ruling by the Supreme Court, no one can be legally detained whose loyalty has been determined. Regulations of the War Relocation Authority operating as a detainer are declared invalid.

The plans of the agency contemplate the turning over those at Tule Lake to the Department of Justice and the relocation or release of all others by January 2, 1946, almost 15 months after the ruling by the War Department. They contemplate disposal of the property now on hand by April 1, 1946, and the winding up the affairs of the agency by June 30, 1946.

In my judgment the agency should be wound up far more promptly.

The record indicates, under the plans of the agency, \$5,000,000 for relocation assistance; \$2,463,000 for special grants, and over half a million dollars for an unauthorized refugee center at Fort Ontario, N. Y. It indicates also the maintenance of 55 field offices, 8 centers, and 1 refugee station; the payment of \$129,-

300 for salaries for publicity to sell the program of WRA to the public; the payment of \$2,134,000 for travel, or almost \$900 per employee; and the operation of 454 motor cars and 1,256 trucks, or something less than 1 automobile and 3 trucks for every 4 employees.

In my opinion, the appropriation should be slashed with a view to finishing the personnel job within 3 months and winding up the agency by the end of the calendar year.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. GAVIN. I conclude the gentleman believes it would be better all around rather than cut out the entire OWI appropriation, that an amount be set up in this bill to liquidate it in an orderly fashion?

Mr. WIGGLESWORTH. Coupled with a proviso that any functions which may be determined to be essential shall be taken over and operated by the State Department or the high command.

Mr. GAVIN. Or other branches of the Government under the War and Navy Departments?

Mr. WIGGLESWORTH. Yes.

Mr. GAVIN. What would you say would be a reasonable amount to liquidate OWI in an orderly fashion, approximately?

Mr. WIGGLESWORTH. It will take some time and probably several million dollars.

Mr. GAVIN. Well, would you say five or six million dollars would be cheap?

Mr. WIGGLESWORTH. I would like to get a little expert advice on that.

Mr. GAVIN. I would say if we got rid of OWI for about \$5,000,000 it would be very cheap and a very wise investment on the part of the Congress.

WAR SHIPPING ADMINISTRATION

Mr. WIGGLESWORTH. The record indicates, Mr. Chairman, a gross cost of the WSA in the fiscal year 1946 of \$3,096,000,000, a revenue of \$1,429,000,000, leaving a deficit of \$1,666,000,000 to be made up out of the revolving fund of the agency, \$1,181,000,000 by appropriation of \$485,000,000 and by transfer of \$50,000,000 from the insurance fund for reserve purposes.

The requested appropriation is \$485,000,000 as compared with \$550,000,000 for the current fiscal year. Gross cost, however, shows an increase from \$2,610,000,000 to \$3,096,000,000 based on a contemplated increase in the fleet of about 22 percent. The committee has reduced the Budget estimate by \$40,000,000.

This entire agency, created by Executive order, in my opinion, calls for a general reappraisal.

It operates in the same field with the Maritime Commission. Some confusion and duplication of effort necessarily results. It operates under one Administrator as compared with the Maritime Commission under five Commissioners. Severe criticism has been made in respect to its financial operations. Since January 1, 1943, I understand, there have been more than 211 pages of the CONGRESSIONAL RECORD devoted to criticism

of the WSA and the Maritime Commission, in addition to countless pages of committee hearings.

Attention is called to the enormous revolving fund under the control of this agency. During 1945, it is estimated that \$1,459,000,000 will have been expended from that fund. On the basis of this appropriation, there will be available for 1946 the sum of \$1,548,000,000.

Here again, Mr. Chairman, the broad question arises as to whether this revolving fund should not be terminated with a view to tighter control over agency operations under direct appropriations, and whether WSA should not be liquidated in the near future by the transfer of its functions and funds to the five-man United States Maritime Commission, as originally provided by Congress.

All of us know of the criticism of WSA in respect to charter hire, insurance, and purchase prices allowed and paid by the agency. The Comptroller General has been highly critical of its activities in these and other matters. The Committee on the Merchant Marine and Fisheries has also taken exception recently to various WSA operation.

CHARTER HIRE

The request for charter hire is \$367,100,000 as compared with \$346,800,000 for the current year.

Figures received from the Maritime Commission and inserted in the CONGRESSIONAL RECORD for January 27 and February 4, 1944, show 753 vessels 20 years old or more, having a book value of \$37,900,000, with charter earnings in 18 months estimated at over \$199,700,000.

Figures included with reference to the Red Sea charters show 81 vessels with a book value of \$3,200,000 earning profits on 91 voyages to the Red Sea of \$26,800,000.

The record indicates basic rates of \$1.15 and \$1.25 per dead-weight ton per month for tankers and other ships, respectively. Those rates, however, do not apply to all types of vessels.

The table appearing on page 357 of the hearings shows 77 vessels with an aggregate dead-weight tonnage of 598,908 and an annual charter hire amounting to \$21,956,701, or an average of \$3.05 per dead-weight ton per month. Included in the table are vessels with charter hire running as high as \$9.05 per dead-weight ton per month. For example:

Vessels	Year built	Dead-weight tonnage	Annual charter hire	Rate per dead-weight ton per month
Aleutian.....	1904	2,837	\$274,800	\$8.07
Columbia.....	1907	2,327	227,664	7.64
Mexico.....	1932	3,011	322,704	8.33
Walesia.....	1928	1,675	168,480	8.38
Yukon.....	1899	2,285	248,232	9.05
Permanente.....	1902	11,114	432,216	3.24
Philippa.....	1902	11,158	414,888	3.09
President Johnson.....	1904	15,267	302,400	1.65
President Tyler.....	1920	13,050	262,656	1.67

On the basis of \$1.25 per dead-weight ton per month, the amount payable with respect to the 77 vessels would amount to only \$8,983,620, instead of \$21,956,701.

INSURANCE

The request for insurance for the fiscal year 1946 is \$121,000,000 as compared with \$142,000,000 for the current year.

Figures received from the Maritime Commission and inserted in the CONGRESSIONAL RECORD for February 4, 1944, show 690 vessels 20 years old or more with a book value totaling \$34,500,000 on which insurance had been effected in the total amount of \$477,300,000, or about 1,400 percent of the book value.

Figures received from the General Accounting Office and inserted in the CONGRESSIONAL RECORD for February 7, 1945, show 32 vessels 20 years old or more with amazing insurance coverage compared with Admiral Land's estimated values of the vessels for operation as of December 31, 1938.

The record indicates that the basic rate for insurance purposes was as high as \$75 per dead-weight ton in 1942; that it had been reduced by 1944 to \$56.25 per dead-weight ton; and that on April 20, 1945, it was reduced to \$47.50 per dead-weight ton. The basic rate still is apparently in excess of the British rate.

The table inserted in the hearings at page 366 fails to furnish the insurance data requested. It does, however, give values for many ships 20 years old or more, and it is noteworthy that the values given do not agree with values previously furnished by Admiral Land.

Forexample: The steamship *Alabaman*, built in 1921, with a dead-weight tonnage of 10,380 is given a value of \$583,875 in the table, or \$56.25 per dead-weight ton. The table already referred to received from the General Accounting Office and inserted in the CONGRESSIONAL RECORD of February 7, 1945, shows that this vessel was sold by the Government in 1922 for \$300,000, and gives a value for operation as fixed by Admiral Land at December 31, 1938, of \$117,443, or about \$11 per dead-weight ton.

Similarly, the steamship *Arizonian*, built in 1920, with a dead-weight tonnage of 11,600, is given a value in the table in the hearings of \$652,500. The General Accounting Office table referred to, however, shows a sale of this vessel by the Government in 1920 for \$506,369, and a value for operation as fixed by Admiral Land at December 31, 1938, of \$97,506.

Those are but examples.

Eighty percent of the cases requiring determination of just compensation for vessels were completed before the rate was lowered to \$47.50 per dead-weight ton.

PURCHASE PRICES

The WSA's request for funds for vessel purchases in the fiscal year 1946 is \$30,000,000, as compared with \$28,000,000 in the current fiscal year.

Figures received from the Maritime Commission and inserted in the CONGRESSIONAL RECORD for January 27 and February 4, 1944, show 69 vessels 20 years old or more bought for over \$26,300,000, or about seven times their book value.

Prices are said to be determined in the light of the opinion of the Advisory Board of Judges, which the gentleman from

Virginia [Mr. BLAND] has referred to as "almost a study in Greek."

The Comptroller General has testified, in effect, that the Advisory Board's opinion is difficult to interpret; that he does not consider himself bound by it; that certain prices paid since the opinion were proper, in his judgment; and that others were under consideration.

The record refers to the acquisition of nine ships—eight 20 years old or more and one 10 years old or more—from the American President Lines for \$14,800,000, plus \$500,000 for delay in payment.

The record also refers to a payment to the United States Lines of \$19,200,000 for two ships, one 10 years and the other 9 years old, originally costing about \$21,000,000.

It refers also to an offer of \$7,200,000 to the American-Hawaiian Lines for 11 ships built between 1920 and 1921, having an owner's net aggregate book valuation on December 31, 1941, of \$299,307, and apparently representing on that basis a capital profit of about \$7,000,000, presumably tax-free if used for new vessels.

When Admiral Land's attention was called to the fact that, according to his own estimated values for operation as of December 31, 1938, some of these ships were worth about \$100,000, and even less, he replied: "I have no comment to make."

Admiral Land reports that "about every yardstick there is" was used in determining amounts to be paid in these transactions.

It would appear that we have been paying far more for the "old crocks" than would be required for the purchase of brand-new ships under legislation now pending before the Congress, based on prewar foreign costs of production less depreciation.

OTHER MATTERS

The record also indicates that the Maritime Commission has included in contracts with Henry J. Kaiser a clause agreeing, in determining contractor's profits, to allow "all costs, charges, and liabilities incurred by contractors, including those resulting from the negligence of corporate officers, agents, and employees."

No satisfactory explanation was given the committee in this connection, the clause having been referred to as "legal verbiage."

A list of agency fees will be found on page 394 of the hearings. These fees are in addition to charter hire paid to the same agents in many cases. Detailed information requested in this connection has not been supplied.

The appropriation requested for ship repairs amounts to \$453,300,000, as compared with \$334,600,000 in the current year.

A year ago, in discussing this item, and a request allowed for inspectors, hopes were held out to the committee that substantial savings would be effected. Estimated savings by Mr. Douglas were as high as \$50,000,000, and by Admiral Land from \$2,000,000 to \$10,000,000. Part of the increase is due to deferred items. No savings, however, are apparent.

The record indicates that only \$20,000,000 has been recovered by recapture

and renegotiation. No progress has been made in respect to the Red Sea charters, two companies only having made any repayment.

Profits allowed after renegotiation are said to average between 7 and 8 percent on business done, which might mean as much as 500 percent on capital invested in cases of small concerns.

Contracts for the purchase and charter of ships have apparently been exempted from renegotiation by the Price Adjustment Board on the theory that no services are involved. This action seems to be particularly unfortunate in the light of the criticism to which the agency has been subjected.

The record indicates that hundreds of persons in all parts of the world are on the pay roll of the WSA at this time, and on the pay roll of some shipping company as well. A list of 16 officials of the agency appears in the hearings at page 464. The agency is, apparently, not particularly concerned as to whether or not a dual pay-roll service is involved.

A comprehensive audit by the General Accounting Office, begun in 1942, has not yet been completed. This is the audit in respect to which the CONGRESSIONAL RECORD of March 28, 1944, at page 3175, quotes the Comptroller General as follows:

The latest balance sheet available is as of June 30, 1942. A recent examination thereof was made by a representative of this office who reported that the records were in such condition—supporting documents and papers being missing—that a proper verification of the balance sheets of the War Shipping Administration and the United States Maritime Commission as of June 30, 1942, was impossible.

I have repeatedly urged a thorough-going investigation of the financial activities of the WSA and the Maritime Commission, either by a standing committee of the Congress, or by a select committee. Results to date appear to be very meager. I appreciate fully the fine results obtained in terms of construction and operation in time of war; but that does not justify loose financial operations. Some day the entire picture will have to be gone into, in fairness to the two agencies, in fairness to the taxpayers and in the best interests of a properly operated merchant marine.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mrs. DOUGLAS].

Mrs. DOUGLAS of Illinois. Mr. Chairman, without regard to race, color, or creed, young Americans are drafted today to give their very lives for this country. In all decency a nation which demands "the last full measure of devotion" from every group, must stand ready to protect minorities against unjust discrimination.

One of the most vicious sides of nazism was its racism. Such a theory is poison to a people who believe in Thomas Jefferson's words "all men are created equal." As we fight for decency in all parts of the world, let us be doubly sure that we tolerate no economic racism at home. I urge the restoration of funds

for the continuance of the FEPC. It has been successfully administered up to now and must not be dropped during this war period.

Mr. CANNON of Missouri. Mr. Chairman, I yield 30 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. KEEFE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 101]

Allen La.	Dondero	Miller, Nebr.
Andersen,	Drewry	Morrison
H. Carl	Durham	Murdock
Anderson,	Earthman	Pace
N. Mex.	Exton	Patman
Andresen,	Elssaesser	Peterson, Fla.
August H.	Ervin	Peterson, Ga.
Andrews, N. Y.	Fellows	Ploesser
Angell	Fisher	Plumley
Arends	Flannagan	Price, Fla.
Auchincloss	Flood	Price, Ill.
Bailey	Fogarty	Quinn, N. Y.
Barden	Fuller	Rabaut
Barry	Geelan	Rabin
Bates, Mass.	Gifford	Rains
Beall	Gillette	Randolph
Bland	Grant Ala.	Rayfield
Bloom	Grant, Ind.	Reece, Tenn.
Bonner	Hall,	Reed N. Y.
Boren	Leonard W.	Rivers
Bradley, Mich.	Hand	Robertson, Va.
Bradley, Pa.	Hart	Robinson, Utah
Brumbaugh	Hartley	Rodgers, Pa.
Buck	Healy	Roe, N. Y.
Buckley	Hébert	Rogers, N. Y.
Buffett	Heffernan	Sadowski
Bunker	Hess	Shafer
Burch	Hinshaw	Sharp
Byrne, N. Y.	Hobbs	Sheppard
Canfield	Hollifield	Sheridan
Cannon, Fla.	Hook	Short
Carlson	Jackson	Sikes
Celler	Jarman	Simson, Pa.
Chiperfield	Jennings	Slaughter
Clason	Johnson, Calif.	Smith, Ohio
Clements	Johnson, Ind.	Snyder
Cole, Kans.	Johnson,	Stefan
Cole, Mo.	Lyndon B.	Stewart
Cole, N. Y.	Kefauver	Stigler
Cooley	Keogh	Stockman
Courtney	LaFollette	Sumner, Ill.
Crawford	Larcade	Talbot
Curley	Link	Taylor
Daughton, Va.	Lynch	Torrens
Dawson	McGlinchey	Vorys, Ohio
Delaney,	McGregor	Wadsworth
James J.	McKenzie	Walter
Dickstein	McMillan, S. C.	Wasielewski
Dingell	Mansfield,	Weichel
Dirksen	Mont.	Welch
Dolliver	Martin, Iowa	Whitten
Domengeaux	Mason	Winter

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 3368) making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 285 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Indiana is recognized for 30 minutes.

Mr. LUDLOW. Mr. Chairman, anyone who carefully examines the bill that has been presented to the House so luminously by the chairman of our Appropriations Committee, the gentleman from Missouri [Mr. CANNON], must reach the conclusion, I think, that it contains many happy harbingers of a return to constitutional government and normalcy in the United States.

It would not require a far stretch of the imagination to suggest a rechristening of this bill so that it would bear a name a little more descriptive of its aims and purposes. It has been given the title "The National War Agencies Appropriation Bill." It could very well have been given the name "The Reconversion Appropriation Bill" for in a very real manner it charts the course away from bureaucratic controls and back toward the American way of life. As one who participated in the framing of this bill, who believes himself to be fairly familiar with its terms and implications, I will say that I believe it is the first long step toward the demobilization of our wartime bureaucracy.

SPIRIT OF THE CONSTITUTION

Our Constitution has a spirit as well as a letter. In the years of national emergency its letter has been transgressed in innumerable instances but for every time its letter has been violated its spirit has been murdered in a thousand ways. The WPB and the OPA and a wide variety of other agencies, alphabetical and nonalphabetical, have imposed upon the people of this country a perfectly bewildering medley of "thou shalt" and "thou shalt not." Our citizens have accepted obedience to these mandates as a patriotic duty in wartime and have suffered a degree of regimentation against which in times of peace they would have rebelled with all of the fervor of free men who are determined to remain free.

We have heard much about "directives" in recent years. The term has grown in disfavor because it connotes many forms of distress and a kind of totalitarian superlordism which the American endures as war necessity but at heart despises. This bill, as I see and understand it, presents the American people with a new and more agreeable form of directive. In a limited extent but in a way that is clearly discernible, it points the direction back to the American way of life. It takes away at least some of the shackles that have been hampering the free operation of constitutional processes. Whether it has gone too far or not far enough in charting the way back to normalcy may depend on the opinions of individual minds. Some would like to wipe out hated bureaucratic government at one fell stroke. Others would continue the bureaus long enough to cushion the transition shock. But I think it can truthfully be said of this bill that it rings the death knell of wartime controls. Not only does it do that but in a notable way it provides vehicles necessary to bridge the gap back to normal civilian activities. That is the reason why I say that it could properly be called the reconversion bill or the transition bill.

APPROPRIATION COMMITTEE'S SPLENDID LEADERSHIP

In this process of demobilizing bureaucracy and turning America back to Americans under the aegis of the Constitution which placed our country in the very forefront of the free nations of earth, the Committee of Appropriations, headed by the able gentleman from Missouri [Mr. CANNON], is destined to have a great and, in my opinion, a surpassingly important part. Our committee already has exerted superlative leadership in that direction which may be considered an earnest of things to come. I call attention to the committee's clear vision in writing the following provision into the Second Deficiency Appropriation Act of 1944:

The President shall direct the Bureau of the Budget to maintain a continuous study of appropriations and contract authorizations granted for the national defense, war agencies, and the prosecution of the present wars for the purpose of submitting for the consideration of Congress, when the state of the wars make such action possible, a list showing the condition of the balances of each of such appropriations and contract authorizations, together with his recommendations for the repeal of such of those funds or portions thereof as are deemed no longer required for the purposes for which they were granted.

This economy provision of the 1944 Appropriation Act bore abundant fruit on May 2, 1945, when the Budget Bureau submitted to Congress the President's recommendation for the cancellation of \$4,265,000,000 of outstanding uncommitted contract authorization and \$3,100,000,000 of appropriated funds of the Maritime Commission and the House promptly passed the repealing legislation. This was an admirable beginning of what undoubtedly will be an enormous retrenchment and reconversion program that will eventually restore America to its ancient landmarks.

TRIBUTE TO PRESIDENT TRUMAN

I would like to pause at this point to say that in my opinion Harry S. Truman is making a grand start as President of the United States. Coming from the very heart of the country and from humble beginnings near the grass-roots of America, he has brought to his office the unpolished ruggedness of real worth, the sound sense and wholesome philosophy of the pioneers who builded in the Western Hemisphere the greatest democracy the world has ever known, a Government that is universally recognized as the grandest work of man. He knows that there is no magic that can take the place of industry, no veneer that can take the place of character. He knows that no man-made laws can repeal the laws of Nature and that there is no substitute for individual initiative and free enterprise in building a happy and prosperous nation. He has already proven himself to be a constitutional President, with a real reverence and respect for the checks and balances of the Constitution. He has demonstrated that his heart beats in rhythm with the heart beats of 130,000,000 people and that he recognizes the eternal truth that virtue dwells as often in hovels as in palaces. He is and always will be a President of

the people, capable of interpreting their thoughts, their hopes, and aspirations. He has shown that he knows how to get along with Congress, which is half the battle in a successful administration of the Presidency. As a government, we have been floating around in the air a great deal in recent years. I have faith to believe that President Truman, working with Congress, will bring us back to the good old solid earth. His teamwork with our Appropriations Committee is a shining example of the kind of cooperation between the White House and Congress we may expect and that augurs well for the future of the country.

The agencies covered by this bill represent to a large extent the wartime controls and regulatory measures which were held to be necessary to protect the national interest in the war period. Our committee has not been unmindful of the fact that the war is only half won and that some—perhaps many—of the directives and impositions which fret our citizens and disturb our normal life must be continued until Japan is conquered, but generally speaking this bill reflects a welcome relaxation of controls and a reduction, and in some instances a liquidation, of activities that were created for the period of the emergency.

WPB ABOLISHES 105 CONTROLS

I will point to a graphic illustration of what I mean. The War Production Board furnishes the most striking example of a voluntary surrender of authority anticipatory to liquidation later on. That Board has been operating under a system of 420 controls. Those controls have done as much as anything I can imagine to knock into a cocked hat the American way of life. They have reached into every home, restricting individual freedom and impinging upon free enterprise.

It was therefore with genuine pleasure that our subcommittee on deficiencies heard J. A. Krug, Chairman of the War Production Board, announce that the Board has voluntarily released 105 of these controls, that 100 more will be thrown off this year, and that the remainder will be abolished with the coming of victory over Japan. It was news to our subcommittee that exactly one-fourth of the WPB controls already have been rescinded. It was further testified that the revocation of these controls took place between April 10 and May 10, 1945. I asked Chairman Krug to furnish for the record a descriptive list of the 105 controls that already have been abolished and he readily agreed to do so, but when the list reached our subcommittee it proved to be so long and cumbersome and contained so many words that I released my request to have it printed in the hearings because of the cost involved. However it may be seen at the committee room by anyone who desires to look at it and to derive from it solace and inspiration for the future.

LIST OF CONTROLS ALREADY THROWN OFF

The testimony before our subcommittee to the effect that 105 WPB controls already have been thrown off will be welcome news to the public. The list of the controls that have been revoked this month and last month—omitting the

lengthy descriptive verbiage in each case—is as follows:

Order L-27, amended: Vending machines, merchandise.
 Order L-29, amended: Metal signs.
 Order L-37a, amended: Musical instruments.
 Order L-38, amended: Industrial and commercial refrigerating and air-conditioning machinery and equipment.
 Order L-39a: Sprinkler heads.
 Order L-42, schedule 3, amended: Low-pressure heating boilers.
 Schedule 6, amended: Cast-iron radiators.
 Schedule 8, amended: Radiator supply valves, thermostatic float, or boiler return traps.
 Order L-43, amended: Motorized fire apparatus.
 Order L-54a, amended: Typewriters.
 Order L-55: Shotguns.
 Order L-58: Sextants.
 Order L-59b, amended: Metal plastering bases and metal plastering accessories.
 Order L-73, amended: Office supplies.
 Order L-74, amended: Oil burners.
 Order L-75, amended: Coal stokers.
 Order L-77, amended: Metal windows.
 Order L-78, amended: Fluorescent lighting fixtures.
 Order L-80, amended: Outboard motors and parts.
 Order L-81, amended: Toys and games.
 Order L-91, amended: Commercial laundry equipment, dry-cleaning equipment, and tailors' pressing equipment.
 Order L-108, amended: Finishes on metal-working equipment.
 Order L-140a, amended: Cutlery.
 Order L-145, amended: Aircraft control and pulley bearings.
 Order L-145a, amended: Anti-friction bearings.
 Order L-151, amended: Domestic watt-hour meters.
 Order L-154, schedule 1, amended: Water meters.
 Schedule 2, amended: Steam surface condensers.
 Schedule 5, amended: High-voltage insulators.
 Order L-161, amended: Electric fuses.
 Order L-173, amended: Floor and wall furnaces.
 Order L-174, amended: Manufactured gas.
 Order L-175, amended: Railroad standard watches.
 Order L-182, amended: Commercial cooking and food- and plate-warming equipment.
 Order L-187, amended: Cast-iron boilers.
 Order L-188, amended: Loose-leaf metal parts and units and mechanical bindings.
 Order L-190, amended: Scales, balances, and weights.
 Order L-193a, amended: Sprocket chain, sprocket chain attachment links, and sprocket chain wheels.
 Order L-206, amended: X-ray equipment.
 Order L-211, schedule 1: Concrete reinforcement steel.
 Schedule 2: Steel wheels and tires.
 Schedule 4: Structural steel shapes.
 Schedule 5: Steel axles and forgings (railroad and transit service).
 Schedule 6: Mechanical steel tubing.
 Schedule 7: Rails and track accessories.
 Schedule 8: Carbon steel plates.
 Schedule 10: Water-well tubular products.
 Schedule 11: Steel pressure pipe.
 Schedule 12: Steel pressure tubes.
 Schedule 13: Steel pipe.
 Schedule 14: Steel fence posts.
 Schedule 15: Hot rolled carbon steel bars.
 Order L-214: Medical equipment and supplies simplification.
 Schedule 2: Corrective spectacles.
 Schedule 3: Medical and surgical furniture and related equipment.
 Order L-216: Simplification and standardization of portable tools, trucking equipment, mechanics' hand service tools, files, hack

and band saws, vises, machine-tool accessories.

Schedule 1: Universal portable electric tools.

Schedule 2: Wrenches.

Schedule 3: Pliers and nippers.

Schedule 4: Rotary files and burrs.

Schedule 7: Hacksaw blades.

Schedule 8: Hard edge flexible back band saws.

Order L-222, amended: Floor machines, rug-scrubbing machines, industrial vacuum cleaners, and blowers for cleaning purposes.

Order L-227: Wood-cased pencils and pen-holders.

Order L-235: Airport-lighting equipment.
 Order L-236, amended, schedule 2: Marine power hardware.

Schedule 3: Marine fittings hardware.

Order L-238, amended: Sun glasses.

Order L-252, amended: Valves and valve parts.
 Order L-259, amended: Physical therapy equipment.

Order L-266: Sterilizer equipment.

Order L-278, amended: Steel pipe fittings, simplification.

Order L-266b: Ammunition.

Order L-288: Grey cast iron, malleable iron, and brass and bronze pipe fittings, simplification.

Order L-299, amended: Power boilers.

Order L-301, amended: Power cycles.

Order L-314, amended: Lubrication equipment.

Order L-325, amended: 35-mm. motion picture projection equipment and accessories.

Order L-327, amended: Fiber shipping drums.

Order M-21a, amended: Alloy iron, alloy steel, electric furnace carbon steel.

Order M-28, amended: Dichlorodifluoromethane.

Order M-28a: Monochlorodifluoromethane.

Order M-50, amended: Jewel bearings.

Order M-53, amended: Printing ink.

Order M-154, amended: Nitrocellulose.

Order M-216a, amended: Conservation of new automotive vehicles subject to rationing by Federal agencies.

Order M-216b, amended: Conservation of new automotive vehicles subject to rationing by Federal agencies.

Order M-220, amended: Sheep intestines.

Order M-300, schedule 43: Lactic acid.

Order M-330, amended: Calcium metal.

Order M-311, amended: Used automotive parts.

Order M-352: Acetone and diacetone.

Order P-116: Osnaburghs.

Order U-1, directive 1: Prohibiting placing of purchase order with supplier other than producer for delivery of new distribution transformers, 5 kv.-a. and smaller.

Directive 3: Deliveries of new domestic watt-hour meters.

Order U-1a, amended: Power, water, gas, and central steam heat.

Order U-1c, amended: Same as above.

Order U-1d, amended: Same as above.

Order U-1f, amended: Same as above.

Order U-1g, amended: Same as above.

Order U-11, amended: Same as above.

Order U-5, amended: Communications, wire communications equipment.

Order U-6, amended: Wire and cable telegraph industry.

Order U-8, amended: Order limiting the manufacture of telephones.

Order U-9, amended: Order limiting the use of lighting facilities.

WFB PLANNING A SPEEDY END

It will be encouraging to the country, I think, to know that the War Production Board is planning to make a record for speed in folding up, when Japan is conquered. Testifying on this point, Chairman Krug said, page 656 of the hearings:

I think we ought to have enough organization left to tie up our records and make

clear for the future what the War Production Board did and how it did it, so that we do not have months and months of time lost later on, without any records to show how it was done. But in terms of administering war contracts, I think practically all of this can terminate on the day of victory over the Japs.

That is a rather amazing statement—

Interposed Judge WOODRUM—

Do you mean, for instance, if tomorrow morning we got the blessed news that Japan had capitulated, that all of your controls over materials and supplies and everything would go off? It seems to me you would have confusion and a mad scramble and a black market and inflation and everything else, when we have had constant years of control.

To this Mr. Krug responded:

Judge, I am not talking about all the Government controls, I am talking about our controls. From what we can see now, the instant military production is cut back after the Japanese War there will be an adequate supply of everything for our peacetime economy.

So it appears that the War Production Board, a favorite bete noire of America, is due for early demise. The Office of Price Administration, another favorite bete noire of the people, also is on the way out, but its time of departure is not as clearly delineated as that of the War Production Board. Chester Bowles, the Administrator, testifying before our subcommittee, ventured the opinion that it may be necessary to continue OPA controls for 6 months after the fall of Japan to curb postwar inflation.

OCB GOES OUT OF THE PICTURE

The bill before you reflects many other evidences of a diminishing bureaucracy as the needs of war relax. The Office of Civilian Defense goes entirely out of the picture. For the first time since the war started we make no appropriation for it, although an estimate of \$369,000 was submitted by the Bureau of the Budget. Altogether, beginning with an appropriation of \$100,000,000 for the fiscal year 1942 there has been appropriated for the Office of Civilian Defense the sum of \$112,225,950. Augmenting these Federal funds for civilian defense the States and local communities have raised a much larger amount, from which it would appear that well over a quarter of a billion of taxpayers' money has been spent to protect American civilians from attacks that never came. From hindsight it appears that a great deal of the preparation that was made for civilian defense was wildly extravagant and excessively costly, even foolish, but probably it would not be so regarded if just one bomb had struck New York or Washington. I am reminded of a story told by our colleague the gentleman from South Carolina [BUTLER HARE] who is the best storyteller I know, bar none. According to BUTLER, a native rode out of the hills of Carolina into town to buy a rifle. He went to the hardware store and looked over a variety of guns and picked out one that exactly suited his fancy, but it was terribly expensive—too expensive for his pocketbook, he thought. So he jumped in the saddle and started gloomily back to the hills. All of the time, however, he was doing some heavy

thinking. At the edge of town he called out "whoa" and sitting horseback soliloquized as follows about that rifle: "If I need her and I ain't got her, I'll never need her again."

Acting on that philosophy he jerked the rein and executed a quick turn-about to the store and bought the rifle.

With as good grace as possible, the American people probably would do well to forget the vast sum spent for civilian defense and charge it up to insurance. Anyway, there is a little consolation in the fact that the Office of Civilian Defense has surplus equipment of something like \$30,000,000 estimated value. Some of this is fire-fighting apparatus which has never been used and which will be serviceable in local communities. Two million left-over gas masks will not be of much use except perhaps as museum pieces or to please the kiddies who wish to play the game of war.

WRA MAKES FAREWELL BOW

The War Relocation Authority is making its farewell bow to the Appropriations Committee in this bill. It had been granted \$157,170,000 in previous appropriations and we have allowed it \$25,000,000 for next year to wind up its affairs, so that altogether its cost to the taxpayers will be \$182,170,000. The main activity of the Authority at this time is the transfer of Japanese from the relocation centers to what they expect to be their permanent places of abode. There are still in the centers about 53,000 people who are free to be relocated. Each one may elect the place he desires to go and the Government will pay the cost of his transportation and relocation, provided the place is within the continental limits of the United States. In addition, each evacuee is allowed a grant of from \$75 to \$150 to enable him to become established at his new location. It is expected that the evacuation will be completed and that the eight relocation centers will be closed by January 1 next. That will leave only one camp at Tule Lake, Calif., and complete jurisdiction over it will be transferred to the Department of Justice. There are 20,000 Japanese at Tule Lake, including 7,000 adults, some of whom are listed as incorrigibles. Approximately 42,000 Japanese have been relocated to date outside of centers. Of these, 8,000 have gone into the Army, and the Four Hundred and Forty-second Combat Team, a Japanese-American unit, has made a wonderful record of loyalty and bravery in Italy and France.

END OF CENSORSHIP DRAWS NEAR

In the bill before us the Office of Censorship probably appears for the last time. Finis cannot be written on its activities too soon to suit its able Director, Byron Price, whose services as a top-notch newspaper executive are in demand and who is anxious to get back to his first and only love, the newspaper business. Testifying to our subcommittee—page 244 of the hearings—he said:

As far as I am concerned I will certainly recommend that it (the Office of Censorship) be terminated the moment American lives are no longer in danger, without waiting for the treaty which would technically, legally, end the war.

Including the \$13,000,000 carried in this bill the total appropriations for the Office of Censorship amount to \$106,000,000.

While no one connected with our committee claims the gift of prophecy—and certainly I would be the last one to pretend such a gift—I think it is safe to assert that the following titles in the bill presently before us will never be seen in appropriation bills again: Office of Strategic Services, Petroleum Administration for War, Office of Defense Transportation, National War Labor Board, and Selective Service System. The Office of Alien Property Custodian also probably is on the way out, although it may linger longer than some of the others due to the time required to wind up its various and complicated business operations.

OWI APPROPRIATION REDUCED

The Office of War Information, which is distinctly a war activity, will be wound up by statutory limitation 6 months after the end of the war, if Congress does not terminate it sooner. Its distinguished Director, Elmer Davis, no doubt will be glad to resume his eminent career in radio and journalism with an income many times his Government salary. In appropriations up to date the Office of War Information has cost the taxpayers \$122,941,601. The amount carried in the pending bill for that activity is \$35,000,000 as against a Budget estimate of \$42,000,000. Under the Budget proposal 52 percent of the appropriation of \$42,000,000 would have been spent to carry on OWI activities in the European theater, where the shooting has stopped, and only 48 percent in conducting psychological warfare and other activities against the Nipponese enemy who still remains to be licked. Fifty-three percent of the personnel would be assigned to European operations and only 47 percent to the Far East. This did not seem to your subcommittee to be a very logical distribution of funds and I think all of us had some misgivings about a proposal to publish seven newspapers in Germany during the fiscal year 1946 at a cost of \$713,765 for that year alone. I am one of those who appreciate the fine work done by the OWI in the past, but I believe it would be wise to consider a faster tapering off of its operations in Europe and a greater concentration of its efforts to defeat Japan. It would seem to me that the problem now of the OWI is not so much the reeducation of Germany as it is the defeat of Japan.

It is not easy to measure accurately the effect of a leaflet on morale, but in both Europe and Asia it has been proved that leaflets can undermine the fighting spirit of enemy troops. They are most effective when used against soldiers who are hungry, weary, confused, or separated from their units.

The importance of radio in the psychological warfare program has been increased tremendously through the installation of a giant transmitter on Honolulu and a relay transmitter on Saipan. The rather violent and contradictory reactions of Tokyo to these broadcasts—jamming, changes of programing, and

threats against listening—are indication that they are being heard.

There probably is a higher degree of literacy in Japan than in any other country on the globe, over 99 percent. The Japanese had at least 5,000,000, and perhaps as many as 7,000,000 radio receiving sets when the war began. How many of them have been put out of commission by bombing no one knows, but it would appear that through the medium of radio transmission and leaflets dropped from airplanes and shot from guns, the OWI would find a sufficiently fertile field in Japan for its propaganda activities. An auspicious beginning of this line of activity already has been made. Many of the B-29 planes and naval carrier planes carry leaflets and drop them in raids over Japan. Some of us believe that it is the Japanese theater, rather than in Europe, that OWI will find its most inviting opportunities for continued effective service. That, I think, was the main motivation for the cut in this estimate.

SURPLUS PROPERTY BOARD AN ENIGMA

While numerous appropriation titles are significantly fading from our war agencies bill, some new faces are appearing, so to speak. These are the titles that have to deal with bridging over from war to peace, and the most conspicuous of these new appropriations is the one for the Surplus Property Board. Here we ran into astounding astronomical figures. The lowest estimate of the value of surplus property to be disposed of is \$50,000,000,000, and the highest is \$100,000,000,000. Either sum is incapable of comprehension by finite minds. The Surplus Property Board is a coordinating and not an operating agency. It allocates operating funds to the various disposal agencies, and \$60,000,000 was the amount set up in the estimate for this purpose to cover a period of about 4 months.

With all due respect for the officials who came before us representing the Surplus Property Board, they were unable to give us any helpful assistance because in setting up this new activity, which involves so many imponderables, there is absolutely no landmark to go by. They could give us no facts worth while, because in the nature of things they did not have and could not have such facts. Our subcommittee, as a guess in the dark, decided to allow the Board \$40,000,000 and give it time to find its bearings in the school of experience. This will furnish the disposal agencies funds to start operations, and when they learn more definitely what their requirements will be they may submit estimates for supplemental appropriations.

CANCELLATION CLAUSES AN ADVANTAGE

Fortunately for speedy liquidation of the war agencies, nearly all of the many thousands of contracts they have entered into for materials, construction, and so forth, contain a standard cancellation clause which facilitates winding up the business and closing the accounts. Acting Director R. L. Putnam, of the Office of Contract Settlement, estimated—page 832 of the hearings—that in the next 6 months contracts will be canceled at the rate of \$2,000,000,000 a

month. These are largely Army, Navy, Maritime Commission, and lend-lease contracts. Actually at the end of March, Mr. Putnam further testified, 140,000 contracts with a dollar volume of \$27,000,000,000 had been canceled and 132,000 contracts, dollar volume \$18,000,000,000 had been settled. The dollar volume of the contracts still outstanding as of the middle of April was \$60,000,000,000.

APPROPRIATIONS PASSED OVER

By action of a majority of our committee appropriations for the Office of Price Administration and the Fair Employment Practice Committee were left out of the bill pending enactment of authorization legislation. I am confident that Congress will pass legislation to continue the Office of Price Administration and that the authorization will be followed by an appropriation to implement it with necessary funds. While the OPA has suffered from maladministration in too many instances and mistakes of judgment have grievously entered into its enforcement operations, aggravating criticism and fomenting irritation, nevertheless the agency has done a fine over-all job in curbing the inflation which undoubtedly by this time would have swept the country if there had been no OPA price controls.

I regret exceedingly that our committee rejected a motion I made to provide an appropriation to continue the Fair Employment Practice Committee under Executive order. That Committee has done much good in smoothing out race relations during the war emergency, and

it will be especially needed, in my opinion, during the postwar reconversion period when employment difficulties will become multiplied and intensified. In 1919, following the First World War, when there were no controls similar to those of the FEPC, there were 26 race riots. I hope that the Senate will provide the funds for the FEPC which the House has failed to provide. Then we can approach the subject in conference with the hope of working out an agreement that will enable the FEPC to live and carry on. We should not forget that both the national political platforms last year endorsed the FEPC in principle.

The Democratic platform said:

We believe that racial and religious minorities have the right to live, develop, and vote equally with all citizens and share the rights that are guaranteed by our Constitution. Congress should exert its full constitutional powers to protect those rights.

The Republican plank was as follows:

We pledge the establishment by Federal legislation of a permanent Fair Employment Practice Commission.

COMPARISON SHOWING CUTS

A comparison of the Budget estimates for major items in this bill and the reduced amounts carried in the bill as reported, shows that the members of our committee wielded sharp pencils in holding down the items in harmony with public sentiment, which demands that the bureaucratic war agencies be reduced as soon as possible. That comparison, as applied to the main titles of the bill, is as follows:

	1945 appropriation	1946 Budget estimate	Amount carried in this bill
National War Labor Board.....	\$14,300,000	\$13,405,000	\$13,320,000
Allen Property Custodian.....	4,000,000	3,370,000	2,500,000
Office of Defense Transportation.....	14,050,000	7,700,000	7,000,000
Office of Scientific Research and Development.....	162,000,000	77,500,000	70,000,000
Inter-American Affairs.....	17,693,000	15,880,000	14,000,000
Office of War Information.....	53,875,367	42,000,000	35,000,000
War Production Board.....	63,500,000	29,148,000	35,000,000
Smaller War Plants Corporation.....	10,000,000	8,000,000	7,000,000
War Shipping Administration.....	530,350,000	485,595,000	437,325,000
Office of Censorship.....	24,593,000	14,350,000	13,000,000
Office of Strategic Services.....	43,000,000	38,105,000	25,000,000
Petroleum Administration for War.....	4,250,000	4,000,000	3,988,200
Office of War Mobilization and Reconversion.....	1,198,488	63,996,500	43,956,700

A SOUND BILL

We believe that this is a good bill and that it represents straight thinking as to what is best for the country in this critical period when reconversion problems of great magnitude are challenging attention and demanding solution. We believe that it points in the direction of a sound economy and the restoration of all of the constitutional rights of individual initiative and free enterprise that are so sacred to our people. We hope that the House will approve our work.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield just for a question?

Mr. LUDLOW. I cannot resist the opportunity of my good friend.

Mr. HOFFMAN. I did not know I had that power.

The question is, I understood the gentleman to say, that the President has shown how to get along with Congress. Can the gentleman advise me as to what the Rules Committee and the majority

are going to do about FEPC, whether they are going to go along with him?

Mr. LUDLOW. I will have to reply to the gentleman that in that instance I am not informed. I am speaking in general terms.

Mr. HOFFMAN. I thank the gentleman for the information.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, I have asked for this time to discuss a bill dear to my heart and to the heart of every American who believes in human rights. Our patience has been tried by the intolerance, the prejudice, and completely unfair attitude of the opposition. We are willing to debate this question in this forum and accept the decision of the membership. It seems to me nothing could be fairer than this. We are not afraid of the verdict. We can take it,

whatever it is. That is all we ask of the opposition.

No committee and no group should have the right to prevent a bill, almost unanimously reported by a standing committee of the House, from being considered by the full membership of the House. To do so is a confession of great weakness and a lack of courage.

I want to thank the chairman of the Committee on Appropriations [Mr. CANNON] for his courtesy in giving me this time to attempt to clarify some misstatements about which I think we are all concerned. In the beginning of this session of Congress, there were some 12 bills introduced on the subject of FEPC. They were divided almost evenly between Democratic and Republican sponsorship and the Labor Committee, finally, after consideration, adopted a bill which is a composite of what we felt were the best features of all the bills. I am giving this background for the benefit of the Members who are not familiar with it or with the provisions of the bill being discussed.

H. R. 2232 sets forth in its statement of principles a right of all people under this Government, and inherent in the Constitution, the right of freedom to work, regardless of race, creed, color, or national origin, or ancestry. This is a right which more recently has been accepted as a principle by our allies as well as ourselves in the Atlantic Charter.

The bill then sets forth just what shall be discriminatory practices in employment that will be forbidden by this act. It will apply to employers as well as labor unions. As in a great many other administrative acts passed during the past 12 years, it also protects employees who oppose the proscribed unfair employment practices or who file charges under the act. This is not extraordinary, it is consistent with administrative practices which have been approved and accepted by other agencies set up by Congress.

This act, of course, will take in no business which does not affect interstate commerce. It will affect employers hiring more than six employees for employment in industries in interstate commerce and will forbid, as well, the limiting of hiring or recruitment to any source that discriminates in referrals. Labor unions also are affected in the same way.

The act, also, calls for the setting up of an administrative agency to enforce the provisions of the act, consisting of five members appointed by the President with the advice and consent of the Senate. These members shall be known as the Commission and will be appointed for staggered terms of 5 years each. The present Fair Employment Practice Committee shall, upon enactment of this legislation, cease to exist, but its employees, records, papers, and property will be transferred to the Commission.

The jurisdiction of the Commission is defined to take in employers of six or more individuals and labor unions of six or more individuals engaged in business affecting interstate commerce, contractors, and subcontractors of the Federal Government and agencies of the Federal Government itself.

The set-up of the procedures of the Commission is patterned directly on the NLRB and the rules of judicial enforcement and judicial review follow the customary procedure as approved by the Supreme Court.

The investigatory powers likewise follow well-tried practices of many other administrative agencies.

The Commission is authorized to issue and amend regulations whenever necessary, but Congress can, under the provisions of this bill by concurrent resolution, within 60 days of issuance of the regulations, thereby rescind those regulations. This, in a most general way, is a very brief outline of the bill H. R. 2232.

We know that the committee established by the President has, without sanctions and with a very small staff, succeeded in establishing the principle of freedom from discrimination in employment. The Executive order of the President ends 6 months after hostilities cease. We believe, unless we continue by law, the principle of economic freedom, we shall be faced with many very serious problems when this war ends. We cannot write a set of principles to serve in winning a war and refuse to accept them when peace comes.

The men and women serving in the armed forces are of all creeds, colors, and national origins. Their service to their country is not predicated on color or ancestry or anything other than that they are good Americans. They are Americans fighting for a common objective, freedom in the broadest sense of the word. We have repeated over and over again that this war is being fought to preserve freedom in our own country and to extend it to the peoples of the world. If we are honest—and I believe we are, at least most of us are—there remains one way to prove it and that is to end discrimination in our own country.

During the past several months some Members of the House have made speeches, overflowing with oratory and very much lacking in facts, on the subject of this bill. I regret that it is so very obvious that the authors of these speeches are all tarred with the same stick of prejudice. The history of this issue as a matter of public record, is that the only opposition to the legislation exists in the States below the Mason and Dixon's line. It is, of course, conceded that any Member has the right to make a speech in opposition to any bill, but when the opposition uses misstatements as to facts, they should be corrected. Some of the misstatements are used so often that I feel, in the interest of truth and fair play, they should be emphasized here.

It has been said that no limit is placed on the number of employees who could be hired under the terms of the measure. This statement is ridiculous on the face of it since Congress has always possessed the power, through appropriations, to limit the personnel of any and all agencies; and, may I say, it is a power which has been used very frequently, particularly in recent years.

Another statement which has been made by the opponents about this bill,

is that Congress shall delegate to the Commission tremendous legislative, judicial, and administrative powers and functions. If there is one line in this bill giving the FEPC the power to write legislation, then I wish someone would point it out to me. In fact, even the customary power to issue regulations applicable to procedure is limited by the provision in section 10 that Congress may disapprove any regulation by concurrent resolution within 60 days of the issuance of such regulation. No judicial powers are conferred upon the FEPC since the orders of the Commission, like the majority of agencies in existence for many years, are merely exhortations unless and until a Federal court embodies them in a decree of its own. The Commission will not have any power to impose penalties or to punish for contempt, since, as anyone knowing anything about administrative agencies knows, judicial intervention is needed even to obtain obedience to subpoenas. These facts are not new, they existed since administrative agencies came into being and almost identical provisions are contained in legislation creating the Federal Trade Commission in September 1914.

Time and again the statement has been made that the FEPC members who would hear and try cases could be appointed without restraint as to qualifications. The members who use this argument are doing their Chief Executive and their colleagues in the Senate a grave injustice, since the Commission, like every other administrative agency, is appointed by the President with the advice and consent of the Senate. They in turn would hire those to work under them. The procedure of Presidential appointment was thought effective and necessary enough to be incorporated in the Constitution of the United States when it was written and has proven so successful that there has never, to my knowledge, been even a question of an amendment to change this provision of the Constitution.

Once again, the opponents of administrative procedure are making the blanket statement that the hearings before the Commission would be biased and prejudiced. They make this statement regardless of the fact that the Federal courts all over the country and also the Supreme Court have issued rules as to what constitutes a fair hearing before an administrative agency. No court would sanction and no administrative agency allow the official who presides at its hearings to prosecute the case or even to investigate it. National Labor Relations Board orders have been set aside because a trial examiner cross-examined witnesses. They have done this with other agencies also and will continue to do so if and when it happens again with any other agency governed by the same rules and regulations, which would govern FEPC under the pending bill.

The allegation that the FEPC judges would be free to admit hearsay evidence, conclusions of witnesses, and ex parte statements is also made without basis in fact since the courts insist that any order of an administrative agency be supported

by "substantial evidence" as "more than a scintilla and must do more than create a suspicion of the fact to be established. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." Of course, it is possible that the term "reasonable mind" is what confuses the opposition.

If, as the opponents so bluntly put it, the right of judicial review is a farce, why are there so many appeals from orders of such agencies? The reviewing court under H. R. 2232, would insure: first, that the Commission acted within its jurisdiction; second, in accordance with due process and the traditional requirement of a fair hearing; and, third, that the findings of fact are supported by substantial evidence.

A favorite and particularly stupid allegation of the opposition is that this bill would give social equality to Negroes. My answer to that, although it is really too fantastic to need an answer, is that social equality is earned by individuals, not presented to them gratuitously. There are many white people with whom I would not associate socially, and I am sure that all of you feel the same about many people of your own acquaintance. There is not one word in the bill which would give more than an equal chance for employment to any minority. Of course, I am completely aware, as I stand here, that blindly prejudiced individuals refuse to listen to the fairest statement of fact in this matter, and I regret to admit that the majority of the opposition, and the reason, in fact, for the necessity of such legislation as this, is just such blind unreasoning prejudice. There is an old saying that "there are none so blind as those who will not see." That, I believe, is the case in this instance.

In one of the opposition speeches I have read, it has been stated that "Minority groups would be given preferential treatment to the detriment of every other element of American society." This is completely and entirely untrue. Minority groups would be given equal treatment—equal justice—nothing more. It was also said that "the enactment of the bill would repeal the veterans' preference rights as outlined in the Selective Service Act." Completely and entirely untrue. That "private enterprise, small business, the merchant, farmer, newspaper, organized and unorganized labor, Federal and State and country would be hounded for the supposed benefit of these minority groups." Again, completely inaccurate. And last, that "the minority groups whom the proponents of the bill would seek to benefit would suffer more than every other element of American society, therefore, that by enacting the proposed bill, Congress would violate its duty to promote domestic strength and tranquility." To all of this there is an unanswerable argument: the bill seeks only to give economic justice to every human being, regardless of race, color, creed, or national origin or ancestry. If the things we are fighting for for which millions of American lives have been sacrificed—white Americans, black Americans, naturalized Americans, Catholics, Protestants, and Jews—mean what we have

said they mean, then in God's name forget prejudice, forget their color or their race and give to all equal economic justice under the law. That is all we are asking for—economic justice. If men are equal in ability, they should be treated alike, regardless of from where they come or what their color. That is all we ask. Don't try to distort the truth. Remember that there will be a day of reckoning when we shall have to answer to God for our actions. Prejudice will not help us then. We cannot ask men, white and black, to lay down their lives, if necessary, on the altar of democracy and then when the war is won, say to them, "We didn't mean you; we meant only white men, only Americans of several generations, not naturalized Americans, not Jews."

Why has the Rules Committee refused to give another committee of the House the privilege it is entitled to to bring a bill, almost unanimously reported, to the House, the right to have it debated by the membership of the House? Is that democracy? What kind of democracy? Are we trying to say to other countries of the world that we in America believe in democracy—that all men are born equal under the law and then when the test comes in our own country deny to the minority groups the same rights and privileges accorded to the majority groups? Is that what America believes? Is that the sort of thing we have been fighting for? I think not. I have no sympathy for the narrow-minded point of view that is always afraid to change the status quo. A few years ago we had this same kind of debate about whether or not men and women should be paid a living wage when the wage and hour bill was before the House. We won, as we are going to win in this debate. That law has done more to bring up the standard of living in this country than anything ever attempted, but it was difficult to make the opposition believe it would succeed. The same arguments were used against that bill. It is true that every big step taken in advancing the cause of economic security or in changing the status quo brings great opposition from those individuals who believe their personal fortunes or habits may be changed by the progressive step contemplated. This is to be expected, but no progress would be possible if people who believe in it did not accept the challenge of the opposition and fight for what they believe right. It is in this spirit and because I believe in my soul that this legislation is absolutely necessary that I accept the challenge of the opponents and ask all Members who believe in justice and fair play to sign No. 4 petition and join me in attempting to bring a belated justice to the millions of underprivileged minorities throughout America.

I am sorry that it is necessary to bring so important a bill to the House by means of a petition. But since it is necessary I sincerely hope those of you who do believe in justice and in fair play and in the American way of life will not hesitate to sign this petition, since, apparently, it is the only way we can possibly debate this bill.

SCUTTILING THE FEPC

[From the Washington Post of June 7, 1945]

The Fair Employment Practice Committee is being made a victim of efficient neglect. It was studiously and conspicuously ignored by the House Appropriations Committee when that body reported out on Friday the war agencies appropriation bill for the fiscal year beginning July 1. Without funds, the FEPC would, in any case, be rendered altogether impotent. But because it happens to be an agency established by Executive order, congressional failure to grant it an appropriation would deprive it even of skeleton existence. And the ugly part of this slick scheme is that the House will probably have no opportunity to vote on continuance of the FEPC. According to the rule under which the appropriation measure was brought to the floor, any motion to include the FEPC can be summarily knocked out on a point of order—which Representative JOHN RANKIN has already served notice that he will raise.

The transparent pretext on which the FEPC was left out of the appropriation bill is that a proposal is currently before Congress to establish a permanent and statutory Fair Employment Practice Commission. In the House, this proposal is securely bottled up in the Rules Committee—again thanks to the sabotage of Representative RANKIN. In the Senate, it is under the threat of filibuster from a small group of irreconcilables. There seems scant chance of its being enacted at all—and no chance that it will be enacted before the end of this month when the existing temporary agency is scheduled for extinction. If a permanent FEPC is created by Congress, it will, of course, take over the files and the funds as well as the work of the present body.

There is peculiar need for action by the Federal Government to prevent employment discrimination in the reconversion period. The inevitable dislocations of the period will be the harder to bear if un-American prejudices work to the disadvantage of minority groups in the discharge and gradual reemployment of warworkers. Negroes in particular—since they are traditionally the last to be hired and the first to be fired—are entitled to look to their Government at least for an assertion of their basic rights. An FEPC, working wisely and patiently as the present executive agency has done, can help substantially to promote fair play in the difficult transition from war to peace. We must look to the Senate, and to leadership from President Truman, to repair the damage wrought by legislative trickery in the House.

FEPC APPROPRIATION

[From the Washington Star of June 6, 1945]

The Fair Employment Practice Committee is faced with another threat to its existence.

Last week the House Appropriations Committee, in reporting out the supply bill for the war agencies, failed to make any provision for FEPC funds. This was a deliberate omission, the theory being that there is no cause to continue a temporary agency created by Executive order when legislation is pending for the establishment of a permanent FEPC. But this is a line of reasoning which ignores the practical aspects of the matter.

Unless it is granted an appropriation, the present FEPC will cease to function at the end of this month. Nor is there the slightest chance that a permanent FEPC will be in existence by that time. On the contrary, the legislation to set up a permanent agency is facing a long, hard fight in Congress, and there is no assurance that it will be enacted in any form at this session. Consequently, unless funds are appropriated for the existing FEPC, there will be, at best, a long period

of time during a critical phase of reconversion when there will be no governmental agency to deal with the important problem of discrimination in employment.

On its record the FEPC deserves a better fate. During 1944 the agency docketed 3,635 cases. Satisfactory adjustments were obtained in 1,324 cases, the great bulk of the remaining complaints being dismissed because of insufficient evidence, lack of merit, or lack of jurisdiction. These statistics indicate that the temporary FEPC deserves to be continued until Congress acts on the pending legislation to create a permanent agency. But if this is to be done, the Senate must take the initiative in making available the appropriation, which the House committee was unwilling to recommend.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mrs. NORTON. I yield.

Mr. KEEFE. I have listened with great interest to the very splendid statement and exposition of the bill reported out of the committee of which the gentleman from New Jersey is chairman. I would like to inquire, out of her broad knowledge of this whole subject matter, whether or not the bill which was passed by the State of New York and which was written into the law of that State in any way approximates the objectives which are included in the bill submitted by the gentleman from New Jersey.

Mrs. NORTON. I understand they do, although I have been told that they go a little further than we do in our bill. I understand the principle and the objective, of course, is the same.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman one additional minute.

Mrs. NORTON. May I go further and say to the gentleman that I have not read the New York bill, so that I am not qualified to say just exactly what is contained in it, but I have read newspaper stories and I have heard a great deal about it. I understand it is very much like this bill except that I think the penalties go a little further than we go in our bill.

Mr. KEEFE. What is rather amazing to me is the fact that there is a bill which was placed on the statute books of the State of New York by a Republican legislature and a Republican governor, and here in this Congress, with the Democratic Party committed in its platform to the passage of the FEPC and the President insisting upon its passage, and with every committee of this House controlled by the Democratic administration, including the Rules Committee, that bill does not come before this House.

Mrs. NORTON. It does not surprise the gentleman any more than it surprises me.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the State

of the Union, reported that that Committee having had under consideration the bill, H. R. 3368, had come to no resolution thereon.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks just made today and to include therewith two editorials.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill today may have 5 legislative days in which to extend their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

NATIONAL WAR AGENCIES APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that general debate on the bill, H. R. 3368, be limited to 2 hours tomorrow, one-half the time to be controlled by the gentleman from New York and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, reserving the right to object, how does the time stand on general debate today?

The SPEAKER. The gentleman from Missouri has used 1 hour and 33 minutes and the gentleman from New York has used 52 minutes.

Mr. TABER. It would seem to me that the time should be balanced tomorrow. I would be willing to let it go for 2 hours tomorrow if we should receive the same time in all.

Mr. CANNON of Missouri. Then, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, 1 hour and 15 minutes to be controlled by the gentleman from New York [Mr. TABER] and 45 minutes by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following resolution (H. Res. 289) for printing in the Record:

Resolved, That during the consideration of the bill (H. R. 3368) making appropriations for the war agencies for the fiscal year ending June 30, 1946, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

SALARY AND WAGE ADMINISTRATION IN THE FEDERAL SERVICE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time next week to consider the bill (H. R. 3393) to improve salary and wage administration in the Federal service, and so forth, and that there be not to exceed 3 hours of general debate, one-half of the time to be controlled by myself and one-half by the ranking mi-

nority member of the Committee on the Civil Service, the gentleman from Kansas [Mr. REES].

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the Record and include therein a column from this morning's Washington Post.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute following the other special orders today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today following the other special orders, to explain six companion bills which I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from Kansas [Mr. REES] is recognized for 15 minutes.

DISPOSITION OF SURPLUS GOVERNMENT PROPERTY AND GOVERNMENT-OWNED WAR PLANTS

Mr. REES of Kansas. Mr. Speaker, on October 3, 1944, the President signed the Surplus Property Act which provides for a Surplus Property Board having general supervision and direction over the handling and disposal and transfer of surplus property between Government agencies. The Board operates in an advisory capacity only, and merely determines the policy to be followed by the various Government agencies concerned with the handling and disposal of surplus property under their control. Billions of dollars' worth of property of all kinds is rapidly coming under the jurisdiction of this Board.

I am reliably informed that the waste, the confusion and graft in connection with the disposal of Government property is mounting to huge proportions. If this condition continues without an active investigation and study by the Congress, it will result in a scandal that will dwarf even the Teapot Dome scandal of several years ago.

At least a dozen agencies of the Federal Government are constantly handling and disposing of billions of dollars' worth of Government property. It is true the Surplus Property Board attempts to coordinate and establish policies for this gigantic task, but because these agencies have been established for a long period of time and their policies are already well formulated, the Surplus Property Board is unable under existing law to cope with the various problems which arise from day to day and hour to hour in each of these Federal agencies.

My attention has been invited to alleged black market operations, graft, and bribery which, it is claimed, is prevalent in connection with the disposal of surplus war property, particularly in the case of scarce commodities for which there is so much demand today. I do not know how many millions or billions of dollars' worth of goods are never declared surplus and are disposed of in an illegal and unethical manner. These charges which have come to me and other Members of Congress should be thoroughly investigated and those guilty of war profiteering should be put in jail.

It is impossible for the Congress to determine what action should be taken until a thorough study and investigation is made of the entire situation. It is my opinion, and other Members of Congress share the same view, that all agencies handling surplus Government property ought to turn over to one central agency the disposal of all surplus Government property for ultimate disposal according to policies formulated by a Surplus Property Board. As the law stands today there is an open invitation to all manner of profiteering and graft, I believe that in order to avoid a national scandal and to protect the interests of the American people and save them billions of dollars, such an investigation should be conducted.

Now is the time for the Congress to act upon this subject and not at a later date when no affirmative or corrective measures could be adopted to alleviate a past condition. If the Congress does not act very soon upon this all-important matter, I believe it will be too late to enact remedial legislation. I do not propose to stand idly by while our brave boys are making sacrifices upon the battlefields of the world, and let our Government be lulled into complacency by a group of men who are making millions through the improper and illegal purchase of surplus war goods. This is a serious matter. I urge the Members of the House to act favorably upon the resolution I am offering today.

Briefly, the resolution which I have submitted provides for the establishment of a committee of five Members of the House appointed by the Speaker. The committee is authorized to conduct a thorough investigation of all activities of the Federal Government in connection with the handling and disposal of surplus property, including the present operations and policies of the Surplus Property Board. Also the committee should be authorized to investigate the irregular and illegal activities of Government employees who may be engaged in the handling and disposal of surplus property; and finally, the committee should inquire into the overlapping and duplication of functions and activities of the Government agencies concerned with the disposal of surplus property. After the investigation the committee should report to the Congress its findings and propose such remedial legislation it considers necessary in order to protect the public interest and to insure the most expeditious, efficient, and businesslike

handling of surplus property and Government-owned war plants. The committee should continue in existence throughout the period of reconversion and should keep a watchful eye upon the disposal of all surplus property, including the Government-owned war plants.

Economic dislocations and maladjustments will occur if surplus Government property and war plants are disposed of upon an inequitable basis. This will seriously impair our reconversion program. It is easy to see that inequitable concentrations of industries in urban areas in certain parts of our country will seriously impair the economic future of other parts. A realistic approach to this entire problem should be taken, and solutions should not be based upon political or personal considerations. The dislocation of great numbers of our population if continued during the reconversion period will impair the future economic growth of our Nation. It is my belief that the Congress as well as the executive branch of the Government should seriously consider this problem before steps are taken which cannot be retraced. If we are not to have a planned economy, it is necessary for private industry to have freedom of action which could be destroyed by an inequitable disposal of surplus property and Government-owned plants.

These serious problems merit the consideration of every Member of the House. It is my judgment if a committee such as I have outlined is established, it will not only save billions of dollars, but its investigations will result in recommendations which outline a safe and sane policy of readjustment.

GEN. GEORGE S. PATTON

The SPEAKER. Under the previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 1 minute.

Mrs. ROGERS of Massachusetts. Mr. Speaker, at the Bedford, Mass., airport, in my congressional district, this afternoon, Maj. Gen. Sherman Miles, of the First Service Command, and other dignitaries are welcoming home Gen. George S. Patton.

I know the entire country gives him welcome and all of his men. Certainly no general in all the theaters of war did more with so little than did General Patton. Even Gen. George C. Marshall, Chief of Staff, has admitted for a long time that General Patton did not have adequate supplies; yet he won brilliant victory after brilliant victory, and would have been in Berlin ahead of our allies, the Russians, if he had not been held back.

Our thanks today go to him and to every one of his gallant army.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FULTON] is recognized for 5 minutes.

MILITARY AND NAVAL TRAINING

Mr. FULTON. Mr. Speaker, I have introduced today six companion bills for the following purposes:

First. To provide for a threefold increase in the Cadet Corps at the United States Military Academy at West Point.

Second. To provide for a threefold increase in the number of midshipmen at the United States Naval Academy at Annapolis.

Third. To establish a United States Women's Military Academy—a women's West Point.

Fourth. To establish a United States Women's Naval Academy—a women's Annapolis.

Fifth. To provide for the establishment of a United States Military Aviation Academy.

Sixth. To provide for the establishment of a United States Naval Aviation Academy.

These bills were prepared and extensive study was given by me to the matter, the early part of February of this year, on my return from the Philippines from carrier duty with the Navy, to take my seat in Congress. I have not filed the bills until now, as I did not in any way want to interfere with our foreign relations or the plans for the San Francisco Conference, which is now almost completed.

It is my intention to have the Army and the Navy take advantage of existing facilities now spread over the country and start the new classes this fall, if possible.

The buildings, surplus equipment, and instructors are all available and only need to be assembled and organized. Hundreds of boys are voluntarily applying for just such training.

As to locations, there should be three separate institutions for the Military Academy—one in the East, one in the Midwest, near Chicago, and one in the West. Annapolis should have three institutions—one on the east coast, one on the Gulf of Mexico, and one on the west coast—to train men in all types of conditions affecting our Navy.

The women's locations should be selected to use women's college facilities where possible, with special emphasis on the education of women for the administration, supply, personnel, and communications divisions of both the Army and the Navy. The servicewomen have definitely shown their capabilities. The contributions they have made to America's effort in this war certainly have won them a permanent place in American life, and these bills for women's academies give them that recognition.

I have obtained on February 17, 1945, comparative statements through the Director of the Legislative Reference Service of the Library of Congress furnished from the War Department and the Navy Department. I quote as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, February 17, 1945.

HON. JAMES G. FULTON,
House of Representatives,
Washington, D. C.

DEAR MR. FULTON: With reference to your inquiry of February 16, the Navy Department has furnished us the following data:

Years in which the number of midshipmen was changed by law	Number of midshipmen authorized on Oct. 1	Active strength of the Navy on June 30	
		Officers	Enlisted men
1905.....	881	2,544	35,279
1916.....	1,231	3,870	55,123
1917.....	1,455	8,038	185,143
1918.....	2,120	22,549	423,270
1924.....	1,976	8,165	87,709
1928.....	1,790	8,898	84,822
1932.....	1,789	9,463	81,679
1935.....	2,022	9,783	83,343
1941.....	3,117	28,421	247,417
1941 (Regular Navy only).....		13,149	203,183
1944.....	3,117	267,754	2,600,153
1944 (Regular Navy only).....		45,403	461,322

¹ Of the above number of officers and enlisted men on active duty in 1918 those in the permanent Regulation Navy were 9,199 officers and 208,671 enlisted men.

The War Department furnished the following data:

Years in which the number of cadets was changed by law	Number of cadets authorized	Actual strength of the Regular Army	
		Officers	Enlisted men
1905.....	522	3,934	63,022
1908.....	533	3,966	72,462
1913.....	580	4,845	87,190
1916.....	1,332	5,025	102,616
1919.....	1,334	8,039	194,378
1926.....	1,374	11,779	119,928
1935.....	1,960	12,037	125,098
1942.....	2,496	14,401	538,462
1944.....	2,496	15,441	(1)

¹ War Department states that total enlisted men in the Regular Army has not been compiled since 1942.

Sincerely yours,

ERNEST S. GRIFFITH,
Director, Legislative Reference Service.

Mr. Speaker, these figures show the lack of development of our military educational facilities in comparison to the great development of our armed services. They also show that our voluntary educational facilities are out of gear with our proposed postwar military establishment. There are many times more officers from outside educational institutions at present running our services, and West Point and Annapolis graduates are very much a minority—which should not be. Many large colleges of our country individually have more former students as officers in our services than the United States Military and Naval Academies.

The air branches of both services need technically trained men that should be provided a specialized education that only separate Army and Navy Academies under experienced air officer supervision can provide. These air branches should receive the recognition they have long merited by the establishment of separate air academies in locations adaptable to flight training.

A final result of the immediate adoption of this plan of expansion will be that our veterans of this war will be given a chance to complete the rounded military education that hundreds of them want. They are capable, experienced, and certainly deserve the education. The Federal Government should immediately provide the education to which they are entitled.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STOCKMAN, for June 6 and 7, on account of official business.

To Mr. AUCHINCLOSS (at the request of Mr. SUNDBLUM), for 2 days, on account of river and harbor investigation.

To Mr. ROBERTSON of Virginia, for 2 days, Friday and Saturday, June 8 and 9, on account of official business.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 65. Joint resolution to transfer to the Reconstruction Finance Corporation the functions, powers, duties, and records of certain corporations; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 269. An act for the relief of David B. Smith.

H. R. 981. An act to authorize payment of certain claims for damage to or loss or destruction of property arising prior to May 27, 1941, out of activities of the War Department or of the Army;

H. R. 1307. An act for the relief of Montgomery City Lines, Inc.;

H. R. 1527. An act to exempt the members of the Advisory Board appointed under the War Mobilization and Reconversion Act of 1944 from certain provisions of the Criminal Code;

H. R. 1567. An act for the relief of Katherine Smith; and

H. R. 1711. An act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 510. An act to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 269. An act for the relief of David B. Smith;

H. R. 981. An act to authorize payment of certain claims for damage to or loss or destruction of property arising prior to May 27, 1941, out of activities of the War Department or of the Army;

H. R. 1307. An act for the relief of Montgomery City Lines, Inc.;

H. R. 1527. An act to exempt the members of the Advisory Board appointed under the War Mobilization and Reconversion Act of 1944 from certain provisions of the Criminal Code;

H. R. 1567. An act for the relief of Katherine Smith; and

H. R. 1711. An act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton.

XCI—363

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Friday, June 8, 1945, at 12 o'clock noon.

COMMITTEE HEARINGS
COMMITTEE ON THE JUDICIARY

There will be a public hearing before Subcommittee No. 4 of the Committee on the Judiciary, beginning at 10 a. m., on Monday, June 11, 1945, on the bill (H. R. 2788) to amend title 28 of the Judicial Code in regard to the limitation of certain actions, and for other purposes. The hearing will be held in room 346, Old House Office Building.

COMMITTEE ON IMMIGRATION AND
NATURALIZATION

The Committee on Immigration and Naturalization will hold a public hearing at 10:30 a. m., on Tuesday, June 12, 1945, on H. R. 3263.

COMMITTEE ON THE POST OFFICE AND POST
ROADS

There will be a meeting of the full Committee on the Post Office and Post Roads on Tuesday, June 12, 1945, at 10 a. m., at which time hearings will be resumed on H. R. 3235, a bill readjusting the rates of postage on books.

COMMITTEE ON IMMIGRATION AND
NATURALIZATION

The Committee on Immigration and Naturalization will hold an executive hearing at 10:30 a. m., on Thursday, June 14, 1945, on H. R. 173, H. R. 1584, and H. R. 2256.

COMMITTEE ON THE JUDICIARY

The Committee on the Judiciary has scheduled hearings, to begin at 10 a. m., on Monday, June 18, 1945, on the following joint resolutions: House Joint Resolution 67, to declare the policy of the Government of the United States in regard to tide and submerged lands; and House Joint Resolution 118, House Joint Resolution 119, House Joint Resolution 122, House Joint Resolution 123, House Joint Resolution 124, House Joint Resolution 125, House Joint Resolution 128, House Joint Resolution 129, House Joint Resolution 130, House Joint Resolution 134, House Joint Resolution 137, House Joint Resolution 138, House Joint Resolution 146, House Joint Resolution 148, House Joint Resolution 153, House Joint Resolution 172, and House Joint Resolution 193, entitled "To quiet the titles of the respective States and others to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles." The hearings will be held in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

535. A letter from the Archivist of the United States, transmitting a report on rec-

ords proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

536. A letter from the President, United States Civil Service Commission, transmitting a draft of a proposed bill to further amend the Classification Act of 1923, as amended; to bring about uniformity and coordination in the allocation of field positions to the grades of the Classification Act of 1923, as amended; and for other purposes; to the Committee on the Civil Service.

537. A letter from the Chairman of the Board, Reconstruction Finance Corporation, transmitting the report of the Reconstruction Finance Corporation for the month of March 1945; to the Committee on Banking and Currency.

538. A letter from the Chairman, Surplus Property Board, transmitting the second quarterly progress report of the Surplus Property Board; to the Committee on Expenditures in the Executive Departments.

539. A letter from the Acting Director of Budget and Reports, Navy Department, transmitting a report showing the name, age, legal residence, rank, branch of service, with special qualifications therefor, of each person commissioned from civilian life into the United States Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve, during the period April 1, 1945, to May 31, 1945, inclusive, who have not had prior commissioned military service; to the Committee on Naval Affairs.

540. A letter from the executive assistant to the Secretary, Department of Commerce, transmitting revisions of the estimates of personnel requirements for the quarter ending June 30, 1945, for coastal surveys and working funds, Coast and Geodetic Survey, requesting an increase of 23 positions in the former and a corresponding decrease of 28 in the latter; to the Committee on the Civil Service.

541. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 143 at the naval operating base, Bermuda, on April 26, 1945; to the Committee on Claims.

542. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill for the relief of First Lt. Jack Sanders, USMCR, for the value of personal property destroyed as the result of an explosion at Camp Lejeune, N. C., on January 22, 1945; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC
BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 3266. A bill to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of penicillin or any derivative thereof, and for other purposes; with amendment (Rept. No. 702). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. House Joint Resolution 116. Joint resolution to facilitate the execution of subsection (d) of section 13 of the Railroad Unemployment Insurance Act, as amended; without amendment (Rept. No. 703). Referred to the Committee of the Whole House on the State of the Union.

Mr. JARMAN: Committee on Printing. H. R. 2522. A bill to authorize the Secretary

of State to continue to completion the collecting, editing, and publishing of official papers relating to the Territories of the United States; without amendment (Rept. No. 704). Referred to the Committee of the Whole House on the State of the Union.

Mr. IZAC: Committee on Naval Affairs. S. 58. An act to amend an act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941, as amended, and for other purposes; with amendment (Rept. No. 705). Referred to the Committee of the Whole House on the State of the Union.

Mr. BIEMILLER: Committee on Naval Affairs. S. 397. An act to provide for the presentation of medals to members of the United States Antarctic Expedition of 1939-41; without amendment (Rept. No. 706). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Naval Affairs. H. R. 319. A bill to increase the number of midshipmen allowed at the United States Naval Academy from the District of Columbia; with amendment (Rept. No. 707). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 289. Resolution waiving points of order against the bill, H. R. 3368, making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes; without amendment (Rept. No. 708). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H. R. 3402. A bill to establish a United States Women's Naval Academy; to the Committee on Naval Affairs.

H. R. 3403. A bill to establish a United States Women's Military Academy; to the Committee on Military Affairs.

H. R. 3404. A bill to provide for the establishment of a United States Naval Aviation Academy; to the Committee on Naval Affairs.

H. R. 3405. A bill to provide for the establishment of a United States Military Aviation Academy; to the Committee on Military Affairs.

H. R. 3406. A bill to provide for a three-fold increase in the number of midshipmen at the United States Naval Academy; to the Committee on Naval Affairs.

H. R. 3407. A bill to provide for a three-fold increase in the Cadet Corps at the United States Military Academy; to the Committee on Military Affairs.

By Mr. NEELY:

H. R. 3408. A bill to authorize a preliminary examination and survey of Buffalo Creek and its tributaries, West Virginia and Pennsylvania, for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. RANDOLPH:

H. R. 3409. A bill to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ROBERTSON of North Dakota:

H. R. 3410. A bill authorizing the construction of a free highway bridge across the Yellowstone River near Fairview, Mont.; to the Committee on Interstate and Foreign Commerce.

H. R. 3411. A bill granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River; to the Committee on Interstate and Foreign Commerce.

By Mr. BREHM:

H. R. 3412. A bill to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE:

H. R. 3413. A bill to provide promotion of certain retired officers of the Army, Navy, Marine Corps, and Coast Guard who served as commissioned officers during two wars; to the Committee on Military Affairs.

By Mr. TRAYNOR:

H. R. 3414. A bill to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LYLE:

H. R. 3415. A bill to amend the Servicemen's Dependents Allowance Act of 1942 to provide for the continuance during the present war of the payment of monthly family allowances to dependents of enlisted men who die in service; to the Committee on Military Affairs.

By Mr. CANNON of Florida:

H. R. 3416. A bill to provide fair and just compensation for the use of any building, as defined in this act, by the United States and to provide for mutual cancellation rights between the lessor and the lessee, for the use of such building where governed by a written lease executed after December 7, 1941; to the Committee on Public Buildings and Grounds.

By Mr. REES of Kansas:

H. Res. 288. Resolution providing for the investigation of the handling and disposal of surplus Government property and Government-owned war plants; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to increase the subsistence allowances for war veterans while pursuing educational courses under the GI bill of rights, so-called; to the Committee on World War Veterans' Legislation.

Also, memorial of the President of the Chamber of Deputies of Lebanon, relative to the strife in Lebanon; to the Committee on Foreign Affairs.

Also, memorial of the President of the Chamber of Deputies of Syria, relative to the strife in Syria; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the establishment of a system of unemployment insurance in the maritime industry; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3417. A bill for the relief of Clarence J. Spiker and Fred W. Jandrey; to the Committee on Foreign Affairs.

By Mr. MCGEEHEE:

H. R. 3418. A bill to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire at the United States Naval Convalescent Hospital, Banning, Calif., on March 5, 1945; to the Committee on Claims.

By Mr. SHAFER:

H. R. 3419. A bill for the relief of the estate of Mrs. Mary Karalis; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

889. By Mr. COCHRAN: Petition of Anna E. Filip and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

890. Also, petition of Henry G. Lear and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

891. Also, petition of Jack Pessina and 31 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

892. Also, petition of Joseph Blow and 21 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

893. Also, petition of E. M. West and 29 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

894. By Mr. SULLIVAN: Petition of Charles K. Baker and 234 other citizens of St. Louis, Mo., urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

895. Also, petition of Andrew Jackson Carter and 252 other citizens of Missouri, urging the passage of legislation enabling the tenants and occupants of Delmo Labor Homes to purchase these homes on long terms at low interest rates, so that these Missourians will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder; to the Committee on Agriculture.

896. By the SPEAKER: Petition of Robert Bettancourt and sundry others, of New York City, N. Y., petitioning consideration of their resolution with reference to House bill 2346; to the Committee on the Merchant Marine and Fisheries.

897. Also, petition of Samuel C. Pandolfo, petitioning consideration of his resolution with reference to a redress of grievances; to the Committee on the Judiciary.

898. Also, petition of the secretary, Texas Synod of the Evangelical and Reformed Church, petitioning consideration of their resolution with reference to their approval of Senate bill 101 and House bill 2232; to the Committee on Labor.

899. Also, petition of the secretary, Upper Mississippi Valley Water Use Council, petitioning consideration of their resolution with reference to a survey of the Upper Mississippi River Navigation Reservoirs; to the Committee on Rivers and Harbors.

SENATE

FRIDAY, JUNE 8, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Jacob S. Payton, D. D., Washington, D. C., Assistant Director of the General Commission on Army and Navy Chaplains, offered the following prayer: